

PERTH AND KINROSS COUNCIL**Housing and Health Committee – 4 November 2015****STRATEGIC LOCAL PROGRAMME 2015/16 – 2019/20****Report by Depute Chief Executive (Corporate and Community Development Services)****PURPOSE OF REPORT**

This report outlines modifications to the Perth and Kinross Strategic Local Programme (SLP) 2015/16 - 2019/20 as detailed in Appendix 1 and asks Committee to agree the revised Strategic Local Programme.

1. BACKGROUND

- 1.1 The Strategic Housing Investment Plan (SHIP) sets out how Scottish Government funding for the development of affordable housing will be used to work towards the objectives of the Local Housing Strategy (LHS). The Strategic Housing Investment Plan and the associated Strategic Local Programme was approved by the Housing and Health Committee in October 2014 (Report 14/454).
- 1.2 The previous report on the SLP (Report 14/454) approved delegation to the Executive Director to assign other projects into the programme, replacing those which fail to progress within the anticipated timescale.
- 1.3 This report details changes made to the programme.

2. STRATEGIC HOUSING PLAN AND STRATEGIC LOCAL PROGRAMME

- 2.1 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
- 2.2 New opportunities for including projects were considered on this same basis and the scheme of prioritisation was applied to these projects in the same way.

3. CHANGES TO THE PROGRAMME

- 3.1 At a recent meeting with the Council, Scottish Government and Housing Associations, progress with projects programmed to start this financial year was reviewed, and the following changes to the programme were agreed:

Projects due to start 2015/16 but with limited spend this financial year

3.2 Caledonia Road School (CHA, 49 flats)

Planning permission has now been secured. Caledonia are now treating the redevelopment of the school and the new-build as one project, rather than two separate projects with different timescales. There remains a risk that the tenders may be over-budget which may result in additional work being necessary before the project can start.

3.3 Canal Street, Perth (Fairfield, 32 flats)

Kingdom are taking forward this development on behalf of Fairfield Housing Co-op. There has been delay in reaching agreement on the price to be paid for these properties. It is anticipated that agreement should be reached shortly so that a site start should still be possible in the current financial year. This is a large project with substantial finance due to be invested this year, although there is concern that this won't be achieved. Fairfield has, therefore, been encouraged to find alternative ways to invest any potential underspend against this project on site purchase for future projects.

3.4 Springbank Road, Alyth (PKC, 11 houses)

Delays have been experienced in reaching agreement on a drainage solution for this site. This situation has now been resolved and a site start should be possible in the current financial year. Recent flooding in the area may require resolution of certain issues in developing the remainder of this site.

3.5 Crieff Road, Perth (CHA, 6 houses)

Costs of the tenders returned to Caledonia Housing Association for this project are unacceptably high, so further work is underway to get the cost of this project within acceptable margins.

3.6 Glenearn Road, Perth (PKC, 8 houses)

It is anticipated that it should still be possible to start this project in the current financial year, with demolition of existing properties anticipated for November.

3.7 Back Loan, Milnathort (CHA, 5 houses)

A site start on this project has been delayed due to a delay in planning permission being secured. Since the houses on this site will be purchased by

Caledonia Housing Association on completion, the spend against these properties will now fall into financial year 2016/17.

Projects which are are not currently progressing

3.8 Hillside Hospital (48 PKC/Hillcrest houses)

The site costs are still being negotiated and negotiations have been ongoing for some time. It therefore seems unlikely that this project will be able to start any time soon, so has been put back to 2017/18.

3.9 Lathro, Milnathort (Hillcrest 15 flats)

It has not been possible to agree a suitable price for these flats and the developer has decided to take this property forward for sale on the private market.

Projects to be brought forward into 2015/16

3.10 Kirkton, Auchterarder Phase 2 (Hillcrest, 16 houses)

This project was already in the programme for a later start. Planning permission is in place and negotiations on the price are underway, so it is likely that there will be some spend on this in 2015/16.

3.11 Nimmo Place (PKC, 11 houses)

This lock-ups site has been identified for demolition following the garage site and lock ups review. It is therefore planned to develop the site for additional Council housing. A feasibility study has been completed and it is proposed that development of housing on this site can get underway as soon as the lock-ups have been vacated and consultation with neighbours has been carried out.

3.12 Cairns Crescent (PKC, 8 houses)

As above, this site is also currently used for lock-ups which are to be demolished. A feasibility study has also been completed and it is proposed that a start should be made on this development as soon as possible.

3.13 Shadow programme

The two projects below would only come forward in 2015/16 if those above were significantly delayed and not able to draw down Scottish Government funding in 2015/16.

3.14 Stanley (PKC, 10 houses)

The development has planning permission and is likely to be on site in the current financial year.

3.15 Blackford (Hillcrest, up to 38 houses)

An additional potential project which may be suitable as a substitute project is a site which has planning permission at Blackford. Hillcrest Housing Association are therefore investigating whether agreement can be reached with the developer for them to acquire housing at this site for social rent.

4. BUY-BACKS

- 4.1 The Scottish Government provides funding of £35k per purchase of former Council houses (buy backs). The Council now has an annual target of 24 buybacks, and so far in 2015/16 has purchased 14 properties. Since the start of this initiative in 2012/13 we have purchased 60 properties.

5. CONCLUSION AND RECOMMENDATIONS

- 5.1 This report summarises changes to the Strategic Local Plan, moving some projects into the current financial year and others into later years.
- 5.2 Housing and Health Committee is asked to:
- (i) Note the adjustments to the Strategic Local Programme made during the year.
 - (ii) Approve the Strategic Local Programme detailed in Appendix 1.

Author

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Approved

Name	Designation	Date
John Walker	Depute Chief Executive (Corporate & Community Development Services)	9 October 2015

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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

Community Plan/Single Outcome Agreement

- 1.1 The Perth and Kinross Community Plan/Single Outcome Agreement 2013-2023 and Perth and Kinross Council Corporate plan 2013-18 have five concurrent 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.

Corporate Plan

- 1.2 Proposals contained in this report address the following Corporate Plan Priorities:

- Promoting a prosperous, inclusive and sustainable economy
- Supporting people to lead independent, healthy and active lives;and
- 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 housing programme (as detailed in Appendix 2). In addition to the Scottish Government Grant, the second home Council Tax fund and developers contributions for affordable housing will be used to support the delivery of the programme. Detailed resource implications in the use of these funds will be reported to respective Council committees when final details are known. The Head of Finance was consulted on these proposals as part of the Capital Budget and HRA Capital Plan budget setting process.

Workforce

- 2.2 There are no direct work force implications regarding this report.

Asset Management (land, property, IT)

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

3. Assessments

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.

Sustainability

- 3.3 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.

Legal and Governance

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

Risk

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

4. Consultation

Internal

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

External

- 4.2 The Local Housing Strategy was developed through detailed inter-agency working and consultation. Achieving LHS objectives is progressed through successful joint working with partner agencies.
- 4.3 The Strategic Housing Investment Plan 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 the Scottish Government.
- 4.4 The Strategic Local Programme has been developed with individual Housing Associations.
- 4.5 Registered Social Landlords and the Scottish Government have been consulted in the preparation of this report.
- 4.6 The Tenant Report Panel have been consulted on this report and noted that it was a good outline of future developments and it was logical to bring forward some 'builds' and hold off others until all plans etc are in place.

5. Communication

- 5.1 There are no direct communication issues with regard to this report.

6. 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 on to any material extent in preparing the above report.

7. APPENDICES

Appendix 1 details specific projects which it is proposed will be developed 2015/16 – 2019/20 in the Strategic Housing Plan.

STRATEGIC LOCAL PROGRAMME Resource Planning Assumption - 2015-2016: £7.951m									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
C/F projects from 2012-15 SLPA									
Muirton (Phase 5A), Perth	Fairfield	25 SR		0.000	2014/15	2014/15	2016/17	0.000	1.356
Cherrybank, Perth	Hillcrest HA	14 SR		0.000	2014/15	2014/15	2015/16	0.000	0.160
Jeanfield Road (Phase 4), Perth	P&K Council	14 SR		0.000	2014/15	2014/15	2016/17	0.000	0.597
33-37 East High Street, Clieff	Kingdom	14 SR		0.000	2014/15	2014/15	2015/16	0.000	0.349
Burnside Road, Balbeggie	P&K Council	16 SR		0.000	2014/15	2014/15	2015/16	0.000	0.736
2015-16 Tender Approvals									
Caledonian Road School, Perth (Refit)	Caledonia HA	28 SR		0.000	2015/16	2015/16	2016/17	0.000	0.600
Caledonian Road School, Perth (New build)	Caledonia HA	21 SR		0.000	2015/16	2015/16	2016/17	0.000	0.300
Clieff Road, Perth	Caledonia HA	6 SR		0.000	2015/16	2015/16	2015/16	0.000	0.348
Back Loan, Milnathort	Caledonia HA	5 SR		0.000	2015/16	2015/16	2016/17	0.000	0.220
Canal Street, Perth	Fairfield	32 SR		0.000	2015/16	2015/16	2016/17	0.000	0.856
Springbank Road, Alyth	P&K Council	4 SR		0.016	2015/16	2015/16	2015/16	0.000	0.184
Old Mill Road, Rattray	P&K Council	7 SR		0.000	2015/16	2015/16	2015/16	0.000	0.322
Glennear Road, Perth	P&K Council	8 SR		0.032	2015/16	2015/16	2016/17	0.000	0.368
Kirkton, Auchterarder	Hillcrest	16 SR		0.000	2015/16	2015/16	2016/17	0.000	0.928
Nimmo Place, Perth	P&K Council	11 SR		0.000	2015/16	2015/16	2016/17	0.000	0.506
Cairns Crescent, Perth	P&K Council	8 SR		0.000	2015/16	2015/16	2016/17	0.000	0.368
2015-16 Acquisitions									
Buybacks	P&K Council	20 SR		0.000	2015/16	2015/16	2015/16	0.000	0.700
2015-16 Total		249							8.898
Shadow Programme									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
Stanley	P&K Council	10 SR		0.000	2015/16	2015/16	2016/17	0.000	0.460
Blackford	Hillcrest	38 SR			2015/16	2015/16	2016/17		2.204
Total									2.664
*Tenure to be agreed between strategic partners									

Resource Planning Assumption - 2016-2017: £5.867m

Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
C/F projects from 2012-15 SLPA									
Caledonian Road School, Perth (Refit)	Caledonia HA	28 SR		0.000	2015/16	2015/16	2016/17	0.000	0.566
Caledonian Road School, Perth (New build)	Caledonia HA	21 SR		0.000	2015/16	2015/16	2016/17	0.000	0.905
Canal Street, Perth	Fairfield	32 SR		0.000	2015/16	2015/16	2016/17	0.000	1.000
2016-17 Tender Approvals									
Muirton (Phase 6), Perth	Caledonia	30 SR		0.000	2016/17	2016/17	2016/17	0.000	2.346
Muirton (Phase 6), Perth	Caledonia	15 MMR		0.000	2016/17	2016/17	2016/17	0.000	0.450
Bridgefauld Road, Minnathort	P&K Council	10 SR		0.000	2016/17	2016/17	2017/18	0.000	0.500
Bridgefauld Road, Minnathort	Hillcrest	10 SR		0.000	2016/17	2016/17	2017/18	0.000	0.300
Birch Avenue, Scone	P&K Council	20 SR		0.000	2016/17	2016/17	2017/18	0.000	0.920
Ballinluig	Caledonia	10 SR		0.000	2016/17	2016/17	2017/18	0.000	0.500
Abernethy	P&K Council	11 SR		0.000	2016/17	2016/17	2017/18	0.000	0.506
Hawarden Terrace, Perth	P&K Council	18 SR		0.000	2016/17	2016/17	2017/18	0.000	0.828
2016-17 Acquisitions									
Buybacks	P&K Council	10 SR		0.000	2016/17	2016/17	2016/17	0.000	0.350
2016-17 Total		215							9.171

Shadow Programme

Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
Pigeon Row, Crieff	Kingdom	24 SR		0.012	2016/17	2016/17	2017/18	0.000	1.700
Gap site, Crieff	Fairfield	5 SR		0.000	2016/17	2016/17	2016/17	0.000	0.350
East Bridge St, Perth	Fairfield	ACQ SR		0.000	2016/17	2016/17	2016/17	0.000	0.070
LA sites to be identified	P&K Council	28 SR		0.000	2016/17	2016/17	2017/18	0.000	1.400
Bertha Park	Kingdom	20 SR		0.000	2016/17	2016/17	2017/18	0.000	1.242
YMCA, Atholl St, Perth	Caledonia	24 SR		0.000	2016/17	2016/17	2017/18	0.000	0.200
Total									

*Tenure to be agreed between strategic partners

Resource Planning Assumption - 2017-2018: £4.029m									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
C/F projects from 2012-15 SLPA									
YMCA, Atholl St, Perth	Caledonia	24 SR		0.000	2016/17	2016/17	2017/18	0.000	1.098
Strathearn Hotel, Crieff	Hillcrest	20 SR		0.000	2016/17	2016/17	2017/18	0.000	0.660
Ballinluig	Caledonia	10 SR		0.000	2016/17	2016/17	2017/18	0.000	0.120
2017-18 Tender Approvals									
LA Sites to be identified	Council	40 SR		0.000	2017/18	2017/18	2017/18	0.000	2.000
2017-18 Acquisitions									
Buybacks	Council	10 SR		0.000	2017/18	2017/18	2017/18	0.000	0.350
2017-18 Total		104							4.228
Shadow Programme									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
Bridgefald Road, Milnathort	Caledonia	10 SR		0.000	2016/17	2016/17	2017/18	0.000	0.252
Bertha Park	Kingdom	20 SR		0.000	2016/17	2016/17	2017/18	0.000	1.242
Muirton (Phase 7), Perth	Caledonia	30 SR		0.000	2017/18	2017/18	2017/18	0.000	1.740
Muirton (Phase 7), Perth	Caledonia	15 SE		0.000	2017/18	2017/18	2017/18	0.000	0.690
South Methven Street, Perth	Council	20 SR		0.000	2017/18	2017/18	2017/18	0.000	0.920
Hillside Hospital site, Perth	Hillcrest	26 SR		0.000	2017/18	2017/18	2017/18	0.000	1.338
Hillside Hospital site, Perth	Hillcrest	12 MMR		0.000	2017/18	2017/18	2017/18	0.000	0.360
Hillside Hospital site, Perth	Council	10 SR		0.000	2017/18	2017/18	2017/18	0.000	0.500
Total									
*Tenure to be agreed between strategic partners									

Resource Planning Assumption - 2018-2019: £2.686m									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
C/F projects from 2012-15 SLPA									
2018-19 Tender Approvals									
Borlick, Aberfeldy	Caledonia Council	20 SR		0.000	2018/19	2018/19	2018/19	0.000	1.260
Lucarty		10 SR		0.000	2018/19	2018/19	2018/19	0.000	0.500
Hill Primary, Blairgowrie	Caledonia Council	20 SR		0.000	2018/19	2018/19	2018/19	0.000	1.240
2018-19 Acquisitions									
Buybacks	Council	10 SR		0.000	2018/19	2018/19	2018/19	0.000	0.350
2018-19 Total		60							3.350
Shadow Programme									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
Burrelton	Caledonia Council	12 SR		0.000	2018/19	2018/19	2018/19	0.000	0.620
Bertha Park	Council	20 SR		0.000	2018/19	2018/19	2018/19	0.000	1.240
Auchterarder LA Build	Kingdom Council	20 SR		0.000	2018/19	2018/19	2018/19	0.000	1.500
		70 SR		0.000	2018/19	2018/19	2018/19	0.000	1.500
Total									
*Tenure to be agreed between strategic partners									

Resource Planning Assumption - 2019-2020: £2.686m									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
C/F projects from 2012-15 SLPA									
2019-20 Tender Approvals									
Bertha Park	Council	20	SR	0.000	2019/20	2019/20	2019/20	0.000	1.240
Tulloch	tbc	20	SR	0.000	2019/20	2019/20	2019/20	0.000	1.240
2019-20 Acquisitions									
Buybacks	Council	10	SR	0.000	2019/20	2019/20	2019/20	0.000	0.350
2019-20 Total		50							2.830
Shadow Programme									
Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	Any LA funding contribution (£m)	TOTAL AHSP SG GRANT (£m)
Newton Farm	Caledonia	20	SR	0.000	2019/20	2019/20	2019/20	0.000	1.260
Oudenarde	Hilcrest	20	SR	0.000	2019/20	2019/20	2019/20	0.000	1.260
Burnside, Dunning	Hilcrest	7	SR	0.000	2019/20	2019/20	2019/20	0.000	0.434
Red House, Coupar Angus	Caledonia	12	SR	0.000	2019/20	2019/20	2019/20	0.000	0.744
Guilddtown	Caledonia	10	SR	0.000	2019/20	2019/20	2019/20	0.000	0.620
LA Build	Council	70	SR	0.000	2019/20	2019/20	2019/20	0.000	2.000
Total									
*Tenure to be agreed between strategic partners									

