

To: Communities, Housing and Planning Policy Board

On: 6 June 2017

Report by: Director of Development and Housing Services

Heading: Council House Newbuild – Scottish Government Grant Funding

1. Summary

- 1.1 This report seeks authority for the Director of Development and Housing Services to accept offers of grant and submit grant claim forms to the Scottish Government for Council house newbuild projects.
 - 1.2 The report highlights that around £10m in grant is expected to be made available by the Scottish Government to support Council house newbuild projects at Johnstone Castle and Bishopton and asks the Policy Board to homologate the action of the Director of Development and Housing Services in submitting grant claims to the Scottish Government for the first instalments of grant in 2016/17 for just over £172,400.
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2. Recommendations

- 2.1 It is recommended that that the Policy Board
 - (i) Authorises the Director of Development and Housing Services to manage and implement the necessary processes in relation to the grant subsidy available to Renfrewshire Council within the context of the Scottish Government's Affordable Housing Programme for Council house newbuild projects.
 - (ii) Homologates the action of the Director of Development and Housing Services in claiming Grant Funding for activities carried out in 2016/17 for two Council newbuild projects at Johnstone Castle and Bishopton as detailed in section 3 of this report.

3. Background

- 3.1. Renfrewshire Council has made provision within the HRA capital investment programme for the construction of new Council housing in Johnstone Castle and Bishopton. Provision is also made in Renfrewshire's Strategic Housing Investment Plan (SHIP) 2017/18 to 2021/22 for Scottish Government grant funding to support the developments based on the current grant benchmark subsidy rate of £57,000 per unit for new council houses.
- 3.2. It is anticipated that around 95 new Council homes will be developed at Johnstone Castle as part of a major housing regeneration project at a total cost of around £12.5m. The rehousing and demolition programme is progressing well (with 66 out of 288 tenement flats now demolished and further demolition work planned later this year) and construction work on the new homes is expected to begin in early 2018.
- 3.3. It is estimated that around £5.4m will be claimed from the Scottish Government in grant subsidy for the 95 new homes at Johnstone Castle. The first instalment of this grant of £120,944 was claimed by the Council in March 2017 for expenditure incurred to date on development costs including design team fees, site investigations and planning applications.
- 3.4. Preparatory work is also underway to develop 79 new Council houses as the first phase of new social rented housing at Dargavel Village, Bishopton, with construction work expected to begin on site in early 2018. The total development cost is estimated at around £10m and it is anticipated that around £4.5m will be funded by Scottish Government grant funding. The first instalment of grant of £51,478 was claimed in March 2017 for expenditure incurred to date on design team fees and site investigations.
- 3.5. The current Strategic Housing Investment Plan (SHIP) was approved by the Housing and Community Safety Policy Board in November 2016 and covers the five-year period 2017/18 to 2021/22. In March 2017 the Scottish Government wrote to the Council confirming a Resource Planning Assumption (RPA) of £11.521m for 2017/18 and indicated its intention to finalise and issue RPAs to March 2021 to assist with longer term planning work.
- 3.6. The SHIP will be updated later this year and presented to the Policy Board for approval before submission to the Scottish Government. It targets investment in affordable housing to help deliver the strategic outcomes and local supply target (200 new affordable homes each year) set out in Renfrewshire's Local

Housing Strategy 2016-2021 as well as contributing to the national target of 50,000 affordable homes over the next 5 years.

Implications of the Report

1. **Financial** – Provision for the two Council newbuild projects at Johnstone Castle and Bishopton is included in the Council's HRA capital investment programme and Renfrewshire's Strategic Housing Investment Plan.
 2. **HR & Organisational Development** - None
 3. **Community Planning** - Regeneration local communities and meeting housing needs.
 4. **Legal** – None
 5. **Property/Assets** – None
 6. **Information Technology** – None
 7. **Equality & Human Rights** -
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – None
 9. **Procurement** – None
 10. **Risk** – None
 11. **Privacy Impact** – None
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List of Background Papers

(a) Background Paper 1

Report to the Housing and Community Safety Policy Board on 8 November 2016, 'Strategic Housing Investment Plan 2017/18 – 2021/22'

The foregoing background papers will be retained within Development & Housing Services for inspection by the public for the prescribed period of four years from the date of the meeting.

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