

EAST AYRSHIRE COUNCIL

CABINET REPORT – 1 JUNE 2011

KICK START COUNCIL HOUSE BUILDING BID SUBMISSION

Report by the Depute Chief Executive / Executive Director of Neighbourhood Services

1. PURPOSE OF THE REPORT

- 1.1 To seek Cabinet authority to submit to the Scottish Government a bid for funding to assist in the provision of the new Council housing across East Ayrshire on the site at Grassyards Road, New Farm Loch, Kilmarnock as identified on the plan attached to this report as Appendix 1 in accordance with the general aims of the approved East Ayrshire Strategic Housing Investment Plan 2011/ 2012 – 2015/ 2016, and to seek authority in the event of the submission being successful to appoint Atrium Initiatives as the Council's agents to manage the design and build project in respect of the fourth phase of the Council's house building programme, as attached as Appendix 2.

2. BACKGROUND

- 2.1 In November 2008, the Scottish Government announced a programme of £25 million funding to encourage a new generation of Council house building. A letter was issued by the Scottish Government on 17 November 2008 inviting Local Authorities to bid for funding under the scheme.
- 2.2 The East Ayrshire Strategic Housing Investment Plan 2009/10 - 2013/ 14 was approved by Cabinet on 3 December 2008, and was submitted to the Scottish Government, to include the provision of new Council house building as follows:

Year	Sub Area	Number	Type	Cost (£)	
				Subsidy	Council* per unit
2009/ 2010	Kilmarnock Central	10	Older people	25000	100000*
2010/ 2011	Northern	10	Older people	25000	100000*
2011/ 2012	Cumnock - Auchinleck	10	Older people	25000	100000*
2012/ 2013	Kilmarnock North	10	Older people	25000	100000*
2013/ 2014	Kilmarnock South	10	Older people	25000	100000*

- 2.3 An initial funding bid was submitted on 12 January 2009 in respect of the funding identified at 2.1 above to both the Scottish Government and to COSLA on the basis of the Strategic Housing Investment Plan proposals agreed by Cabinet on 3 December 2008.
- 2.4 Although the bid was initially unsuccessful, on 26 June 2009, the Council received confirmation from the Scottish Government that its first phase submission in the sum of £0.25M for the provision of ten new Council houses had been re-considered and approved.
- 2.5 In April 2009, the Deputy First Minister announced that notwithstanding ongoing consideration in respect of the initial funding bids further applications for a second round of funding would be invited, bringing the total funding available for new Council house building to £50M.
- 2.6 On 26 June 2009, a letter was received from the Scottish Government inviting Local Authorities to bid for a second phase of funding for new Council house building, with the overall aim to maximise the number of new houses built of sufficient quality, in the right place.
- 2.7 On 11 December 2009, the Council received confirmation from the Scottish Government that its second phase submission in the sum of £1.00M for the provision of forty new Council houses had been partially approved in that an allocation of £0.75M had been approved for thirty new Council houses.
- 2.8 On 9 February 2010, a letter was received from the Scottish Government inviting Local Authorities to bid for a third phase of funding for new Council house building, again with the overall aim to maximise the number of new houses built of sufficient quality, in the right place.
- 2.9 A letter dated 28 June 2010 was received from the Scottish Government to confirm that the Council's third phase submission in the sum of £0.30M for the provision of a further ten new Council houses had been approved.
- 2.10 On 21 March 2010, a letter was received from the Scottish Government inviting Local Authorities to bid for a fourth phase of funding for new Council house building, again with the overall aim to maximise the number of new houses built of sufficient quality, in the right place.
- 2.11 The overarching principles that govern the allocation of funding remain the same as before, namely:
 - the Council has the ability to manage the new stock effectively,
 - the development is affordable at the available level of grant,
 - the new homes are prioritised to contribute to meeting evidenced housing need and homelessness targets,
 - the Council can demonstrate that it has well developed plans to ensure delivery of the proposed new housing,

- the number of units that are built is maximised within the resources available but not at the expense of having to compromise on design quality and quality of place.

A fourth stage bid is proposed to be submitted by the deadline of 31 May 2011 to both Scottish Government and to COSLA. In light of the Cabinet meeting taking place on 1 June 2011, Scottish Government permission has been granted to submit the Council's proposals following the Cabinet meeting to allow the bid to be considered and approved prior to submission.

3. APPROVED FIRST PHASE BID

- 3.1 The Council signed the Development Agreement with Atrium Initiatives, a subsidiary of Atrium Homes, for the development of the site of the former St. Matthew's school at MacDonald Drive, Kilmarnock to provide ten new Council houses for older/ ambulant disabled people. Site start was achieved on 29 March 2010, in accordance with the funding requirements.
- 3.2 Completion of the Phase One works was achieved on 30 November 2010; over two months ahead of programme. All ten houses have been allocated and are occupied in accordance with the lettings plan approved by Cabinet on 17 November 2010 to older/ ambulant disabled applicants with low level support needs.

4. APPROVED SECOND PHASE BID

- 4.1 The Council signed the Development Agreement with Atrium Initiatives in December 2010 for the development of the sites at Creelshaugh Road, Fenwick (6 units), Newlands Drive, Kilmarnock (16 units) and Lammermuir Road, Kilmarnock (8 units) to provide thirty new Council houses for older/ ambulant disabled people.
- 4.2 Site start was achieved on 10 January 2011 at Creelshaugh Road, on 21 February 2011 at Newlands Drive and on 14 March 2011 at Lammermuir Road. The Contractor is making good progress with works on each of the three sites, and anticipates completing the first project at Creelshaugh Road ahead of programme.
- 4.3 The thirty additional new, affordable houses have been identified specifically to meet the needs of an identified growing older population, and will therefore be allocated only to older/ ambulant disabled people.

5. APPROVED THIRD PHASE BID

- 5.1 As approved by Cabinet on 29 September 2010, the third stage bid provides for a further 10 houses to commence on site at Newlands Drive, Kilmarnock.
- 5.2 The Council signed the Development Agreement with Atrium Initiatives in March 2011 for the development of the site at Newlands Drive, Kilmarnock,

and the tender was accepted on 31 March 2011 so as to allow site start to commence, in accordance with the Scottish Government funding criteria.

- 5.3 Again, the new build houses have been identified specifically to meet the needs of a growing older population, and will therefore be allocated to older/ ambulant disabled people.

6. FOURTH PHASE BID PROPOSALS

- 6.1 In its letter dated 21 March 2011, the Scottish Government and COSLA have invited Local Authorities to submit bids for a fourth round of Council house building, as set out in their recently issued strategy 'Homes Fit for the 21st Century'.

- 6.2 The overarching principles that govern the allocation of funding remain the same as before, namely:

- the Council has the ability to manage the new stock,
- the development is affordable,
- the new homes contribute to meeting evidenced housing need and homelessness targets,
- the Council can demonstrate that it has well developed plans,
- the number of units that are built is maximised within the resources available but not at the expense of having to compromise on design quality and quality of place.

- 6.3 Given the timescale for the submission of this fourth round bid and the deadline for development works to be on site by March 2012, the Council's ongoing Housing Need and Demand Assessment will not be completed in time to support the development of Council housing in the Cumnock, Doon Valley or the Irvine Valley areas, as had been anticipated within the approved Strategic Housing Investment Plan 2011/ 2012 – 2015/ 2016, where further Council house development was proposed in these areas in financial years 2012/2013 and 2014/ 2015 and 2015/2016 respectively.

- 6.4 In order to secure delivery of a Phase Four bid efforts have been made to identify sites in the Council's ownership that are immediately available and are suitable for development. This search has identified some sites with considerable potential including ground adjacent to the new Children's House Development at Grassyards Road, New Farm Loch, Kilmarnock, as shown on the attached plan as Appendix A.

- 6.5 The ten proposed additional new, affordable houses have been identified specifically to meet the needs of an identified growing older population, and will therefore be allocated only to older and ambulant disabled people.

- 6.6 There are currently 174 applicants over the age of 60 on the housing list who have been assessed as having an identified need for 1 or 2 bed sized accommodation in New Farm Loch. Having undertaken an analysis of demand across the area that contains the proposed Grassyards Road site in

New Farm Loch in Kilmarnock as at 12 April 2011, estimated demand is as follows:

- 6.7 174 applicants for the 1 or 2 bed age group aged 60 plus, with an additional 54 applicants in the 55-59 age group. Further, in considering the wider Kilmarnock North area in which New Farm Loch is located, there are 650 applicants aged over 60, and a further 188 aged between 55 and 59, who require 1 or 2 bed properties.

7. FUNDING

- 7.1 A copy of the bid is attached as Appendix Two and confirms there will be no requirement for additional resources to manage the proposed new Council houses, as they will be incorporated into the stock currently managed by existing staff located within Neighbourhood Housing Teams. In this way, a consistent approach to effective housing management will be provided. The proposed additional Council housing stock will be incorporated into existing housing management systems at no additional cost.
- 7.2 The effect on the overall cost per unit has been calculated by the Finance Service based on 2011/ 2012 data and stock numbers. With regard to ensuring designated resources to support the proposed new Council House Building programme, it is anticipated that the scheme will incur no additional management costs and that, all other things being equal, the increased stock due to house building proposals will dilute overall per unit costs. The funding required to meet the additional borrowing costs, i.e. debt charges, will be incorporated into the annual rent setting exercise.
- 7.3 Any increase in rent required will assume the same methodology as that used in preparing the 2011/ 2012 Housing Revenue Account budget, and that the debt will be repaid over 60 years. Any future rent setting proposals will be subject to Cabinet approval and tenant consultation, in accordance with Council procedures for affordable housing.
- 7.4 In terms of resources to fund the proposed new houses, it is anticipated that each house will cost in the region of £0.115M gross with a maximum subsidy of no more than £0.030M per house, in accordance with the funding criteria and the approved Strategic Housing Investment Plan 2011/12 – 2015/ 16. The total borrowing requirement will therefore be £0.85M.
- 7.5 The required funding to achieve the Scottish Housing Quality Standard has been calculated, monitored on an annual basis and set aside as indicated in the Council's financial plans to 2015 and this funding remains exclusive of any requirements within this bid. Further funding requirements to maintain the Standard beyond the achievement date of 2015 have also been calculated within the Council's 30 year Housing maintenance financial plan to ensure that future stock maintenance and improvement can be sustained.

8. BID SUBMISSION

8.1 The bid contains the following information:

8.1.1 Site location

The preferred site for the fourth phase of the new Council house build programme is the site of the former St. Joseph's school, Grassyards Road, New Farm Loch, Kilmarnock in the Kilmarnock North area for a total of ten units.

A location plan of the site identified is attached.

8.1.2 Ownership details

The proposed site of the former St. Joseph's school sits within the General Services Account (Education) with a proposed transfer of this site to the Housing Revenue Account, with the associated accounting exercise to reflect its value. It is also proposed to seek consent from the Scottish Government to include the site in the Housing Revenue Account in terms of section 205(2) of the Housing (Scotland) Act 1987.

8.1.3 Acquisition timescale

As the site is presently within the Council's ownership, there is no other issue on acquisition, other than that highlighted in para.8.1.2.

8.1.4 Planning status

The site is not identified for any particular development purposes in the adopted East Ayrshire Local Plan 2010. The principle of housing development at this location is acceptable in planning policy terms subject to the Council's Roads and Transportation Division being satisfied with proposed access and drainage arrangements, the proposal being compatible with surrounding densities and house types and it meeting with the Council's public and private open space arrangements. As per usual, there will also be a Developer Contribution requirement in line with policy RES 29 of the plan.

I. Planning Application

It is anticipated that the planning applications for the site will be dealt with within the statutory timeframe, which is two months although all applications require to be put for determination before the relevant planning committee which meet once a month in line with the current Scheme of Delegation due to the council's interest in these proposals. Time periods can be affected by any issues raised through the neighbour notification and consultation processes and we will be in a better position to further clarify determination timescales once the applications have been received.

II. Building Warrant

Building Warrants that relate to any development that include a social element are automatically fast-tracked. Provided the required minimum level of information is supplied, which can be accommodated via pre-warrant discussions, a warrant application may be processed in ten days, with one additional day to issue the required paperwork.

8.1.5 Critical development constraints

Due to previously excavated matter being sited at this location, there is an amount of built up ground which required the Children's House located on the site to have significant ground beams and mini piles to ensure the stability of the development. Given this information, it is likely there will be additional foundation works required for any new build housing development on the site.

8.1.6 Housing mix

It is proposed to develop one site of 10 x 2 bed houses for ambulant disabled/older people.

8.1.7 Management and Procurement

It is proposed that the Council will, subject to Cabinet authority, negotiate directly with a Registered Social Landlord that not only has its main operational base in East Ayrshire, to be able to better project manage the design and build process, but which also has a Framework Agreement in place for Construction work, and has experience of undertaking Council house building Development Agent work on behalf of the Council, given the short timeframe within which to submit a fourth phase bid; namely Atrium Initiatives.

This approach is proposed as Atrium Initiatives has successfully completed the Phase One new build development works, and is on site with the Council house building approved under the Council's Phases Two and Three bid proposals, thereby providing continuity of approach. Atrium Initiatives has capacity in terms of its current development programme to commence the works within the requisite timescale. In addition, it employs an experienced in-house development team and has undertaken development work to include the provision of general needs, amenity and wheelchair access housing.

8.1.8 Costs

Atrium Initiatives will develop detailed scheme designs and costs for the site in response to the identified housing mix and type. It is anticipated however, that target project costs will be linked to the Royal Incorporation of British Architects' Plan of Work Stages and will be benchmarked against the Scottish Government's Three Person Equivalent costs for each project.

The Council House Building programme assumes Scottish Government subsidy of no more than £0.030M per unit to total £0.30M for ten units.

Council funding requirements, net of land contributions, would amount to approximately £0.85M for the site to comprise the fourth ten unit phase.

The site has recently been valued for the Council's Asset Register on a cleared site basis. It is considered that the appropriate valuation rate would be:

Site	Area (square metres)	Pro Rata Valuation (£)
Grassyards Road, Kilmarnock	7795	0.206M

8.1.9 Timescales

As part of the submission, it is anticipated that a site start will be achieved before the end of the financial year 2011/ 2012 for the site, in accordance with the bid criteria.

If successful, allowing for the appointment of the preferred Registered Social Landlord partner by negotiation, and taking advantage of its Framework Agreement for Construction, it is anticipated that Atrium Initiatives will be formally appointed in August 2011, following Cabinet approval. A further seven month period would be anticipated to achieve site start in March 2012, with a ten month on-site phase, so as to achieve a completion in January 2013.

8.1.10 Work plan

In terms of current work planning, having identified the preferred location for this fourth round of new Council housing, the next key project lead-in milestone will be to negotiate the appointment of the preferred Registered Social Landlord. This appointment is anticipated to be completed by August 2011.

8.1.11 Critical risk factors

Critical risk factors associated with the new build housing development proposals relate to:

i. Site investigations

Site investigation works have previously been undertaken on the site and will be considered in light of the new build affordable housing proposals. Further investigations will be commissioned immediately, to update and augment existing information and to ensure that all site data is made available to the preferred developer partner to feed into the design phase, in light of the issues noted under 8.1.5, Critical development constraints.

ii. Utilities

The site has previously had buildings in situ, and is therefore serviced in terms of the required infrastructure. Site investigation work will inform the Utilities information required.

8.1.12 Outcome

The Scottish Government has advised that Councils may be informed of the decisions in August 2011.

9. CONCLUSIONS

9.1 The provision of further new Council housing across East Ayrshire will continue to support the creation of sustainable communities, by redressing stock lost in popular locations such as through the Right to Buy. It will also provide new, smaller sized houses suitable for older service users in response to demographic trends data, thereby allowing larger sized accommodation to be allocated to families wishing to remain within their local communities. In this way, Council-led new housing development will contribute to alleviating pressures on affordable housing waiting lists and promoting area regeneration across East Ayrshire.

9.2 Key to the development of new Council house building is a recognition that national and local demographic trends report a growing older population. In developing housing specifically for older and ambulant disabled people, the Council seeks to enhance the supply, thereby making existing larger sized properties available for existing and new residents to East Ayrshire. Local service delivery and joint-working arrangements already identified to support those residents to remain in their own homes may then be delivered in a more co-ordinated and efficient manner.

10. FINANCIAL/ PERSONNEL IMPLICATIONS

10.1 There will be no requirement for additional resources to manage the new Council houses proposed as they will be incorporated into the stock currently managed by existing staff located within Neighbourhood Housing Teams.

10.2 The effect on overall cost per unit has been calculated by the Council's Finance Service based on 2011/ 2012 budgets which indicate that there will be little impact on Supervision and Management and Repair costs per unit. In addition, it is anticipated that there will be no material effect on average rents as no premium will be applied to new build stock compared to current rents.

10.3 The effect on debt charges is estimated to be equivalent to an increased rent of 8p per week, assuming the same methodology as that used in preparing the 2011/12 Housing Revenue Account budget, and that the borrowing will be repaid over 60 years and 48 weeks rent.

10.4 The Standard Delivery Plan financial model which is used to ensure that achieving the Scottish Housing Quality Standard remains financially viable has been updated to take account of the proposed house building

programme. Indicators contained within the model suggest that both the building programme and achievement of the Scottish Housing Quality Standard remain financially viable. However, it may be that further efficiencies and/ or rent increases above the previously agreed Retail Price Index plus 1% may be required to offset additional debt charges in future years. To this effect, the Council has taken the decision that rents will increase by RPI + 1% subject to a minimum of 3.5%, less efficiencies, plus the cost of new Council house building.

11. POLICY/ LEGAL IMPLICATIONS

- 11.1 The provision of new Council house building supports the East Ayrshire Strategic Housing Investment Plan objectives 2011/ 12 – 2015/ 16 approved by Cabinet on 17 November 2010.

12. COMMUNITY PLANNING IMPLICATIONS

- 12.1 Within one of the four Main Themes of Delivering Community Regeneration, the Community Planning partners seek to promote a wide range of housing which is attractive to people who live in East Ayrshire, recognising the needs of older people, people with a disability and homeless people, so as to provide suitable accommodation for people as they move through their various life situations.
- 12.2 This further Council house building bid proposal for ten new build affordable houses for ambulant disabled/ older people supports the East Ayrshire Community Plan theme 'Delivering Community Regeneration', through the provision of high quality affordable accommodation, developed to reflect identified housing need within an existing community.

13. RISK MANAGEMENT IMPLICATIONS

- 13.1 The development of new build Council housing seeks to promote and sustain housing standards across East Ayrshire through the provision of high quality new build affordable housing, making a more efficient use of public resources complemented with public sector borrowing so as to meet identified housing need.
- 13.2 The Standard Delivery Plan financial model referred to in 10.4 above will continue to be updated on an annual basis and corrective action taken where necessary to ensure both the house building programme and achievement of Scottish Housing Quality Standard remain financially viable.
- 13.3 Work progress on the proposed additional ten new build houses development, and therefore risk management of the project, will be linked to the Royal Institute of British Architects' Plan of Work Stages.

14. ASSET MANAGEMENT IMPLICATIONS

- 14.1 The Council house building proposals meet the Council's policy objectives in respect of asset management and partnership working in so far as the proposals will enhance the Council's range and supply of affordable housing in terms of its existing stock through a collaborative arrangement with a preferred developing partner Registered Social Landlord. The proposals will further complement the ongoing Housing Improvement Programme works so as to promote achieving the Scottish Housing Quality Standard for East Ayrshire-owned housing stock by 2015, as set out in the East Ayrshire Single Outcome Agreement and the East Ayrshire Local Housing Strategy.

15. RECOMMENDATIONS

- 15.1 It is recommended that Cabinet:

- (i) Authorise the submission of a fourth phase bid for funding to the Scottish Government and COSLA to assist in the provision of new Council housing across East Ayrshire in accordance with the total number of new build Council houses as set out within the approved East Ayrshire Strategic Housing Investment Plan 2011/ 2012 – 2015/ 2016 to include the site at Grassyards Road, New Farm Loch, Kilmarnock;
- (ii) Subject to Scottish Government approval of the fourth stage bid:
 - a. Authorise the transfer of 0.75 acres, or thereby, being part of the site of the former St. Joseph's school at Grassyards Road, New Farm Loch, Kilmarnock from the General Services Account (Education) to the Housing Revenue Account for the purpose of the new Council house building programme subject to the consent of the Scottish Government in terms of Section 205(2) of the Housing (Scotland) Act 1987.
 - b. Authorise the appointment of Atrium Homes or their subsidiary company Atrium Initiatives to manage the design and build process relative to the fourth phase of the Council house building programme for the reasons detailed in paragraph 8.1.7 of this report in accordance with the provisions of paragraph 20 (1) of the Council's standing orders relating to contracts;
- (iii) Due to the timescales involved as set out in paragraph 2.11 of this report, agree that authorisation be given to implement the recommendations in (i) and (ii) above, prior to any consideration by the Governance and Scrutiny Committee as to delay implementation would seriously prejudice the Council's position in relation to achieving a site start at the end of financial year;
- (iv) Note that a further report on progress will be submitted to a future Cabinet meeting; and
- (v) otherwise note the content of the report.

Elizabeth Morton
Depute Chief Executive / Executive Director of Neighbourhood Services

EM/CMCA/DB
12 May 2011

LIST OF BACKGROUND PAPERS

- 1 Scottish Government letter dated 21 March 2011 inviting Local Authorities to bid for a fourth phase of funding to encourage new Council house building.
- 2 East Ayrshire Council - Council House Building Submission, 12 January 2009.
- 3 East Ayrshire Council - Council House Building Bid submission, 29 May 2009.
- 4 East Ayrshire Council - Council House Building Bid submission, 24 September 2009.
- 5 East Ayrshire Council - Council House Building Bid submission, 30 April 2010.
- 6 Scottish Government strategy, 'Homes Fit for the 21st Century', February 2011.

IMPLEMENTATION OFFICER:

Implementation Officer: chris.mcaleavey@east-ayrshire.gov.uk

Anyone wishing further information should contact: Chris McAleavey, Head of Housing. Telephone 01563 576651.

**Innovation & Investment Fund Local Authority Financial Proforma
Round 4, 2011**
East Ayrshire Council

NB. If you have any problems with the spreadsheet, please do not adjust it; instead contact Bruce.Teubes@scotland.gsi.gov.uk

Cells which must be filled in
Cells calculated by spreadsheet

Please indicate whether monetary values are in nominal (cash) terms or in real (constant price) terms

Select from drop-down list

A	HRA position in 2010-11		Total	Per unit (£)
1	Stock at 1 April 2010	units	12,981	n/a
2	Stock at 31 March 2011	units	12,927	n/a
3	Average stock for 2010-11	units	12,954	n/a
4	HRA debt at 31 March 2011	£000	72,098	£5,577
5	HRA loan charges for 2010-11	£000	5,058	£390
6	- of which repayment of debt principal	£000	1,518	£117
7	- of which interest charges	£000	3,540	£273
8	Net rental income (gross rents less voids and arrears) for 2010-11	£000	34,038	£2,628
9	Loan charges as a % of net rental income for 2010-11	%	14.9%	n/a
10	Supervision & Management expenditure for 2010-11	£000	9,303	£718
11	Repairs & Maintenance expenditure for 2010-11	£000	13,097	£1,011
12	Management and Maintenance expenditure for 2010-11	£000	22,400	£1,729
13	Capital Expenditure Funded from Current Revenue (CFCR) for 2010-11	£000	7,659	£591
14	Average weekly rent (52 week basis) for 2010-11	£	52.38	n/a
15	Pooled HRA interest rate for 2010-11	%	5.2%	n/a

B	Round 4 new build summary		Total	Per unit (£)
16	Round 4 new build addition to stock	units	10	n/a
17	Construction costs	£000	954	£95,400
18	Land costs	£000		£0
19	Other costs (fees, preliminaries, etc.)	£000	196	£19,600
20	Total capital costs for Round 4 new build	£000	1,150	£115,000
21	Scottish Government grant (the maximum subsidy per unit is £30,000)	£000	300	£30,000
22	Other sources of capital finance (i.e. not SG grant and not borrowing)	£000	0	£0
23	Additional borrowing required for Round 4 new build	£000	850	£85,000
24	Interest rate on additional borrowing	%	5.0%	n/a
25	Average weekly starting rents for Round 4 new build (52-week basis)	£	57.70	n/a
26	Rental premium for Round 4 new build (compared to rents on existing stock of the same type in the year in which new build is available for letting)	%	0.0%	n/a
27	Rents on new build as a percentage of lower quartile income in local authority area	%	16.2%	n/a

C	Estimated HRA position in 2011-12 including Round 4 new build		Total	Per unit (£)
28	Stock at 1 April 2011	units	12,927	n/a
29	Stock at 31 March 2012	units	12,905	n/a
30	Average stock for 2011-12	units	12,916	n/a
31	HRA debt at 31 March 2012	£000	75,510	£5,851
32	HRA loan charges for 2011-12	£000	5,600	£434
33	Net rental income (gross rents less voids and arrears) for 2011-12	£000	35,835	£2,774
34	Loan charges as a % of net rental income for 2011-12	%	15.6%	n/a
35	Supervision and Management expenditure for 2011-12	£000	8,927	£691
36	Repairs and Maintenance expenditure for 2011-12	£000	13,495	£1,045
37	Management and Maintenance expenditure for 2011-12	£000	22,422	£1,736
38	CFCR for 2011-12	£000	7,474	£579
39	Average weekly rents (52 week basis) for 2011-12	£	55.13	n/a

D	Estimated HRA position in 2016-17 including Round 4 new build		Total	Per unit (£)
40	Stock at 1 April 2016	units	12,579	n/a
41	Stock at 31 March 2017	units	12,529	n/a
42	Average stock for 2016-17	units	12,554	n/a
43	HRA debt at 31 March 2017	£000	72,782	£5,809
44	HRA loan charges for 2016-17	£000	6,470	£501
45	Net rental income (gross rents less voids and arrears) for 2016-17	£000	41,151	£3,186
46	Loan charges as a % of net rental income for 2016-17	%	15.7%	n/a
47	Supervision and Management expenditure for 2016-17	£000	10,235	£792
48	Repairs and Maintenance expenditure for 2016-17	£000	14,898	£1,153
49	Management and Maintenance expenditure for 2016-17	£000	25,133	£1,946
50	CFCR for 2016-17	£000	6,149	£476
51	Average weekly rents (52 week basis) for 2016-17	£	65.35	n/a

Notes:

Nominal or cash prices means that prices have been increased to take into account the effect of general inflation (e.g. as measured by RPI or CPI);
Real or constant prices means that there has been no adjustment for general inflation

HRA loan charges are the sum of (i) repayment of debt principal, (ii) interest payments, and (iii) loans fund expenses attributable to the HRA

Please use the definitions of Supervision and Management expenditure and Repairs and Maintenance expenditure as per the HRA return, see guidance at:
<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HRA2008>

General	
Name of Local Authority	East Ayrshire Council
Address	Housing Service, Neighbourhood Services, John Dickie Street, Kilmarnock KA1 1HW
Contact details	<p>Christopher McAleavey, Head of Housing, Department of Neighbourhood Services</p> <p>Tel. 01563 574876 E-mail: chris.mcaleavey@east-ayrshire.gov.uk</p> <p>Deborah Brady, Development and Regeneration Officer, Housing Options. Housing Service, Department of Neighbourhood Services</p> <p>Tel. 01563 576792 E-mail: deborah.brady@east-ayrshire.gov.uk</p> <p>Paul Whip, Financial Services Manager – Neighbourhood Services, Department of Finance and Corporate Support</p> <p>Tel. 01563 576405 E-mail: paul.whip@east-ayrshire.gov.uk</p>

Proposal Detail	
Project Name	Phase Four Council House Building
Address of proposed units	Grassyards Road, New Farm Loch, Kilmarnock
Number and location of units proposed	Ten two bedroom sized bungalows on a portion of the site of the former St. Joseph's school, Grassyards Road, New Farm Loch, Kilmarnock
Required subsidy – both total and per unit	Total: £300000 Per unit: £30000
Site start date	March 2012
Completion date	January 2013

<p>Confirm whether the land that will be developed is owned by the local authority outright.</p>	<p>Land is owned by the Council and is currently held in the General Services Account</p>
<p>Is Planning Permission in place (specifically say if outline, detailed, applied for or received)? If not is the site zoned for housing in the current development plan?</p>	<p>Planning permission is not in place.</p> <p>The site is not identified for any particular development purposes in the adopted East Ayrshire Local Plan 2010. The principle of housing development at this location is acceptable in planning policy terms subject to the Council's Roads and Transportation Division being satisfied with proposed access and drainage arrangements, the proposal being compatible with surrounding densities and house types and it meeting with the Council's public and private open space arrangements. As per usual, there will also be a Developer Contribution requirement in line with policy RES 29 of the plan.</p>
<p>Is the site a section 75 site?</p>	<p>There is nothing in the local plan to suggest that the developer of this site will require to enter into a section 75 agreement other than with regard to Developer Contributions which are required for housing sites of four or more units in line with policy RES 29 of the local plan. However, it should be noted that during the course of the assessment of any planning application received for the site, a matter may arise where it is deemed necessary for the developer to enter into a s75 agreement for the site. Whilst it is considered unlikely that this will happen as such requirements are generally built into planning conditions wherever possible, it is not possible to definitively state at this stage whether any such matter will arise during the assessment of the application.</p>
<p>Insert any other relevant details or supporting commentary as required</p>	<p>Planning Application</p> <p>It is anticipated that the planning application for the site will be dealt with within the statutory timeframe, which is two months, although all applications require to be put for determination before the relevant planning committee which meet once a month in line with the current Scheme of Delegation due to the council's interest in these proposals. Time periods can be affected by any issues raised through the neighbour notification and consultation processes and the Planning Authority will be in a better position to further clarify determination timescales once the application has been received.</p> <p>Building Warrants that relate to any development that include a social element are automatically fast-tracked. Provided the required minimum level of information is supplied, which can be accommodated</p>

via pre-warrant discussions, a warrant application may be processed in ten days, with one additional day to issue the required paperwork.

Work plan

Allowing for the appointment of the preferred Registered Social Landlord partner by negotiation, and taking advantage of their Framework Agreement for Construction, it is anticipated that Atrium Initiatives would be formally appointed in August 2011. A further seven month period would be anticipated to achieve site start in March 2012, with a ten month on-site phase, so as to achieve a completion in January 2013.

In terms of current work planning, having identified the preferred location for this further new Council housing development, the next key project lead-in milestone will be to negotiate the appointment of the preferred Registered Social Landlord.

As the proposed site for the Phase Four bid has previously been developed, pre-start negotiation with statutory authorities will be commenced drawing on site investigation works already undertaken, which are to be supplemented.

PRINCIPLE	CRITERIA	Evidence of meeting criteria <i>(please delete text in box before completing the application)</i>
<p>1. Council has ability to manage and maintain new stock effectively.</p>	<p>a. Housing will be managed by the local authority or, where it is a joint application, by the RSL under Scottish Secure Tenancy (SST) and be consistent with existing stock management and maintenance approach.</p>	<p>Management and Maintenance</p> <p>There will be no requirement for additional resources to manage the new Council houses proposed as they will be incorporated into the Council stock currently managed by existing staff located within Housing Neighbourhood Teams. In this way, a consistent approach to effective housing management may be provided. The Housing Neighbourhood Teams that are broken down into de-centralised geographical, staff-based offices, manage the functions of allocations and estate management, with repairs being managed by a centralised Repairs Team. The proposed additional Council housing stock will therefore be incorporated into existing housing management systems at no additional cost.</p> <p>In terms of ongoing maintenance, following final checks being undertaken immediately prior to the cessation of the Defects Liability Period on the completed new build Council houses, these properties will be adopted into the Council's general housing account and will become liable for repair and improvement under the same policies, terms and conditions as are applicable to all of the Council's housing stock.</p>
	<p>b. Quality of housing management services.</p>	<p>The Scottish Housing Regulator awarded East Ayrshire Council a B grade (good performance) for housing management in April 2008. The Regulator found that the Housing Service had many strengths, including:</p> <ul style="list-style-type: none"> • Housing a large number of people in housing need, • Managing our estates well, • Having a good lettable standard for empty houses. <p>Audit Scotland Statutory Performance Indicators for 2010/ 2011 showed that East Ayrshire Council was in the first quartile of best performers in the following categories:</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)
		<ul style="list-style-type: none"> • Total dwellings meeting the Scottish Housing Quality Standard (71.01%), • Current tenant arrears as a percentage of the net amount of rent due in the year (2.6%), • The average number of weeks rents owed by tenants leaving arrears (1.31%). <p>As at 1 April 2011, the Housing Service managed 12,927 houses. Figures taken from the Scottish Government HRA Returns estimate that for the year 2010/ 2011, East Ayrshire Council's management costs per house are lower than the Scottish average. The 2010/ 2011 estimate is £775 per house, with the Scottish average being estimated at £794 per house using CIPFA Rating Review 2010/ 2011 estimates. The 2009/ 2010 actual East Ayrshire Council management costs per house were £661 compared with the Scottish average of £715 per house using CIPFA Rating Review 2010/ 2011 estimates. Actual net expenditure for 2009/ 2010 on supervision and management for East Ayrshire was £9,142,000 with a stock of 12,977 compared with a total Scottish figure of £233,118,000 with a stock of 322,163.</p> <p>The Scottish Housing Regulator's Inspection Report dated April 2008 for East Ayrshire Council records:</p> <p>"7.17: The Council charges its tenants an average rent of £44.84 per week that compares favourably to the national figure of £46.65. Its loan debt per unit is 72% of the national figure. East Ayrshire Council's supervision and management costs for 2006/07 are £582, and are below the national average by 8.4%."</p> <p>Further, East Ayrshire Council commissioned mruk research to undertake its Tenant Satisfaction Survey in 2007. Among the Key Conclusions, the results suggest that overall satisfaction levels with the Housing Service have largely been maintained or improved since the previous survey in 2004. In particular, satisfaction ratings have increased for the repairs service, value for money perceptions have mostly improved and the quality of information provided to tenants is considered better by the majority.</p> <p>With regard to Improving the Housing Service, a significant increase (12% rise since 2004; 20% better rating in 2007) was evident in the proportion of respondents who perceive the quality of</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria <i>(please delete text in box before completing the application)</i>
		<p>housing service to have improved over the last few years, particularly in Kilmarnock North (35%) and Cumnock (22%). Further, with regard to perceptions of the Housing Service, nearly all respondents (98%) perceive the Housing Service to be easy to contact and has friendly staff. Least (78%) perceive it to provide good value for money.</p> <p>It is therefore within this high standard management framework that the proposed additional new Council housing would be set, thereby enhancing the affordable housing provision across East Ayrshire's communities.</p>
	c. Contributes to reducing per unit management costs.	The effect on overall cost per unit has been calculated by the Council's Finance Service based on 2011/ 2012 budgets which indicate that there will be little impact on Supervision and Management and Repair costs per unit. In addition, it is anticipated that there will be little material effect on average rents as no premium will be applied to new build stock compared to current rents.
Insert any other relevant details or supporting commentary as required		

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)
<p>2. Development is affordable at available levels of grant and rents will be affordable to tenants.</p>	<p>a. Council has prudential borrowing capacity and/or other available resources to fund new housing.</p>	<p>Available Funding</p> <p>In terms of resources to fund the proposed new houses, it is anticipated that each house will cost in the region of £0.115M gross with a maximum subsidy of no more than £0.030M per house. Therefore, the total borrowing requirement for the Council would be £0.850M. On this basis, the effect on debt charges is estimated to be equivalent to an increased rent of 8p per week, assuming the same methodology as that used in preparing the 2011/12 Housing Revenue Account budget, and that the borrowing is repaid over 60 years and 48 weeks rent.</p> <p>With regard to ensuring designated resources to support the proposed additional Council House Building programme, it is anticipated that the schemes would incur no additional management costs as noted in Principle 1.c., and that, all other things being equal, the increased stock due to the house building proposals would dilute overall per unit costs. The funding required to meet the additional borrowing costs, i.e. debt charges, would be incorporated into the annual rent setting exercise.</p> <p>Any future rent setting proposals would be subject to Cabinet approval and tenant consultation, in accordance with Council procedures for affordable housing.</p> <p>Narrative to Financial Proforma</p> <p>Methodology</p> <p>The spreadsheet was completed by using the Standard Delivery Plan financial model updated by East Ayrshire Council on an annual basis. The model was updated to take account of the proposed 10 additional houses. This updated model was then compared with the previous version which did not include these additional houses.</p> <p>Findings</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria <i>(please delete text in box before completing the application)</i>
		<p>The model contains two main indicators. Firstly, debt per dwelling should not exceed £8,000. Within the revised model, debt per dwelling peaks at £6,042 in year 2012-13. This indicator is well within the parameters which suggest that the scheme is financially viable.</p> <p>The second indicator suggests that debt cost / net income ratio should not exceed 25%. Within the revised model, debt cost / net income ratio peaks at 16.2% in year 2012-13. Once again, this indicator is well within the parameters which suggest that the scheme is financially viable.</p> <p>It is anticipated that the building of ten new Council houses within East Ayrshire will have little impact on Supervision & Management and Repair costs per unit. In addition, it is anticipated that there will be no material effect on average rents as no premium will be applied to new build stock compared to current rents.</p> <p>Resources</p> <p>The Council is developing an Asset Register of all Council-owned resources, in terms of property and land holdings. This data has informed the identification of suitable sites for new Council House Building, so as to make use of appropriate, effective land that sits within the Council's ownership, thereby reducing the per unit cost in terms of acquisition. A sum of £0.206M has been assumed in terms of the proposed site's valuation as at April 2011.</p>
	<p>b. Rent levels strike an appropriate balance between being affordable, given local market conditions and contributing to the cost of the house.</p>	<p>Rent Strategy</p> <p>The rent strategy for the additional ten houses proposed for development reflects the demand for social rented housing across East Ayrshire, as set out under Principle 3.b. Number of Applications for Area. This data records high levels of demand for social rented housing for applicants aged sixty years and over, with 174 applicants on the housing list that have been assessed as having an identified need for one or two bed sized housing in the New Farm Loch area alone.</p> <p>Average rents across the family grouping for East Ayrshire, together with those of the other social landlords operating within East Ayrshire, evidence that, year on year, East Ayrshire Council's rents</p>

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		<p>are among the lowest, and are consistently below the national average. Indeed, rents as a percentage of Lower Quartile Income for East Ayrshire are 16.2%, as noted in the Spreadsheet appended. Further, the weekly Local Rent Allowance rate for the period 1 April to 30 April 2011 ranged from £64.00 for shared accommodation to £80.77 for a one bed up to £155.77 for a four bed sized property. The two bed rate sat at £98.08, thereby further evidencing the Council's rents as being lower than both social and private sector comparators.</p>							
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	
East Ayrshire	£38.24	£41.91	£43.20	£44.84	£46.80	£48.63	50.78	52.36	
Clackmannanshire	£38.61	£40.19	£41.83	£43.50	£45.40	£47.58	49.87	52.43	
East Renfrewshire	£40.71	£42.74	£44.23	£45.78	£46.59	£48.00	50.14	51.90	
North Ayrshire	£36.77	£38.60	£41.30	£44.19	£47.28	£50.59	54.14	55.54	
South Ayrshire	£38.38	£39.84	£43.45	£45.06	£47.17	£49.48	52.70	52.24	
West Lothian	£45.12	£46.70	£46.67	£48.30	£49.37	£52.33	55.42	57.68	
Scottish LA Average	£40.96	£42.64	£44.78	£46.63	£47.92	£49.36	52.83	54.63	
Atrium	£50.24	£52.52	£55.57	£57.99	60.96	£64.16	65.92		
Cunningham	£45.28	£46.38	£50.68	£54.51	58.24	£62.63	69.89		
Shire	£51.24	£53.42	£55.40	£55.31	61.61	£65.34	65.09		
Scottish RSL Average	£46.97	£48.54	£50.10	£51.76	54.74	57.36	59.83	EAC RSL Ave:	

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		<p>Index of Multiple Deprivation 2006, all of them have remained in the 5% most deprived in 2009. Three new datazones have moved into the 5% most deprived for Scottish Index of Multiple Deprivation 2009: namely S01001312 (Catrine); S01001386 (Kilmarnock North); and S01001394 (Kilmarnock North).</p> <p>Overall</p> <ul style="list-style-type: none"> • The most deprived datazone in the overall Scottish Index of Multiple Deprivation 2009 in East Ayrshire is S01001388 (Kilmarnock North) with a rank of 42. • East Ayrshire has seen a consistent rise in the number of datazones in decile one, the 10% most deprived datazones in Scotland. In Scottish Index of Multiple Deprivation 2004, there were 13 datazones in decile one, 17 datazones in 2006 and 21 datazones in 2009. • At a local level, 20% most deprived datazones in East Ayrshire are found in urban, densely populated areas such as around Cumnock and Kilmarnock. The 20% least deprived datazones are generally the larger, rural datazones, where populations are more sparse. <p>As a result of the increase in house prices throughout Ayrshire, as reported within the 'Affordability and Migration within the Ayrshire Housing System Final Report' dated June 2007 carried out by Newhaven Research, coupled with the more recent down turn in the availability of mortgage products, it is anticipated that further Council house building for older/ ambulant disabled people will assist in complementing the range of affordable housing solutions available in East Ayrshire, as set out in the approved East Ayrshire Strategic Housing Investment Plan 2011/ 2012 – 2015/ 2016.</p>
	<p>c. Resources are not needed for other purposes, e.g. to meet the SHQS, and committing funds to a new build</p>	<p>As noted within the Narrative to the Financial Proforma, the new build houses proposed will have little impact on Supervision & Management and Repair costs per unit, thereby allowing the Council to continue to deliver its services without financial detriment.</p> <p>The required funding to achieve the Scottish Housing Quality Standard has been calculated, monitored on an annual basis and set aside as indicated in the Council's financial plans to 2015</p>

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	programme does not compromise the sustainability of the HRA.	<p>and this funding remains exclusive of any requirements within this bid. Further funding requirements to maintain the Standard beyond the achievement date of 2015 have also been calculated within the Council's 30 year Housing maintenance financial plan to ensure that future stock maintenance and improvement can be sustained.</p> <p>Progress towards the achievement of the Scottish Housing Quality Standard has advanced at the anticipated and required rate of progress. As at 31 March 2010, the compliance rate was recorded as 58.4% and has advanced to 71.01% compliance in the year to 31 March 2011.</p>
	d. Effective procurement.	<p>Development Agreement</p> <p>The Council has assumed new Council House Building activity to take place in Housing Market Areas that generally already have affordable housing development identified with partner Registered Social Landlords as set out in the approved East Ayrshire Strategic Housing Investment Plan 2011/ 2012 – 2015/ 2016, so as to seek to maximise efficiencies in terms of procuring and delivering the proposed new homes in response to identified need. Indeed, the proposals seek to extend Council House Building proposals already completed in the area under Phase One of the Council House Building initiative.</p> <p>In order to ensure value for money, high standard product delivery and to continue to promote ongoing local labour initiatives, the Council will again seek to procure the proposed new Council housing through a contractual arrangement with an identified locally based developing Registered Social Landlord, as is the case with the Council's first, second and third phase Council house new build developments. This arrangement has resulted in the Phase One development being completed within indicative budgets and over two months ahead of programme. In employing a Registered Social Landlord partner, the preferred developer will benchmark against similarly sized projects undertaken by the Association so as to offer value for the public pound, in the current financial climate.</p> <p>Development Agreements with the identified partner Registered Social Landlord, Atrium Initiatives,</p>

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		<p>a subsidiary of Atrium Homes, for the first, second and third phase Council house proposals have been completed in terms of the required contractual obligations, and new build proposals have been developed within the Registered Social Landlord's value for money framework, so as to achieve site starts for the Phases Two and Three sites. The Council would therefore propose to repeat this successful arrangement to deliver a further ten new build Council houses on the site of the former St.Joseph's school in the New Farm Loch area of Kilmarnock with Atrium Initiatives and their framework contractor, McTaggart of Dalry.</p> <p>Partnership Working</p> <p>The Council's Housing Service is responsible for leading the development of the Strategic Housing Investment Plan. Building on the successful arrangements established for the development of the first Strategic Housing Investment Plan, key local stakeholders continue to be involved in the Local Housing Investment Framework in East Ayrshire.</p> <p>As key partners in the Strategic Housing Investment Framework, locally developing Registered Social Landlords are central to both the development and delivery of the Strategic Housing Investment Plan. The contribution of Registered Social Landlord partners is secured on an ongoing basis through the work around the affordable housing investment programming activities and attendance at the Social Landlord Forum.</p> <p>This activity in East Ayrshire is currently delivered via robust working relationships with; the Council, locally operating and developing Registered Social Landlords, and the Scottish Government local area office. At a strategic level, the Housing Service meets regularly with Scottish Government officials to review strategic agreement priorities in terms of ongoing, proposed and pipeline developments set against the aims outlined in the previous Local Housing Strategy and ongoing Housing Need and Demand activity.</p> <p>Locally-based Registered Social Landlords are selected to undertake development activity on the basis of their experience, track record, skills, capacity and geographical location, e.g. where a provider already has stock in the area of the proposed project, and/ or a local office base.</p>

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		<p>The Council's Housing Service is experienced in leading Officer Working Groups to streamline the development process of more complex development projects. The Officer Groups comprise representation from all relevant departments within the Council and partner organisations, to include Housing (Operations and Strategy), Estates, Legal, Planning, Roads, Social Work, Scottish Government and Registered Social Landlords. Officer representatives also attend pre-application meetings with Development Management in the Planning Service, the Registered Social Landlord and their consultants and contractor at the request of the Registered Social Landlord, to promote the approved strategic priorities.</p> <p>As an example of this type of good practice, an officer group was established to facilitate a new build project in response to the East Ayrshire Older Persons Service Review in 2006 at Cessnock Gardens in Hurlford. This 48 week project represented the first extra care new build housing development to be undertaken following the review, and achieved a site start in September 2008 to provide 26 new houses at a total cost of £3.7M. The development was completed in August 2009.</p> <p>Collaborative Working</p> <p>Within the five year lifespan of the East Ayrshire Strategic Housing Investment Plan 2011/ 2012 – 2015/ 2016, provision has been made for the development of further proposed new Council House Building on a collaborative working arrangement basis with locally developing Registered Social Landlords. In this way, an additional total of 50 additional units of affordable housing may be secured for older/ ambulant disabled people across East Ayrshire's communities.</p> <p>To date, the Council has successfully bid for a first, second and third phase of funding for new Council housing to be provided in the New Farm Loch area of Kilmarnock, and in Fenwick and in the North West and South areas of Kilmarnock, in accordance with the priorities set out in the approved East Ayrshire Strategic Housing Investment Plan 2011/ 12 – 2015/ 2016, to provide a total of fifty new build affordable houses for older/ ambulant disabled people. The first phase of these properties have been developed by Atrium Initiatives; a subsidiary of a locally based developing Registered Social Landlord in East Ayrshire, further to Cabinet approval to negotiate</p>

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		<p>directly with the Association, which has a Framework Agreement with a locally based contractor, McTaggart of Dalry. All three Phase Two sites and the Phase Three site are underway. Phase One completed two months ahead of schedule in Kilmarnock North on the same procurement basis.</p> <p>The Council proposes new Council house building activity to provide a further ten new Council homes to continue to take place in Housing Market Areas that already have affordable housing development identified within the approved Strategic Housing Investment Plan with an identified partner Registered Social Landlord. In terms of the proposed Phase Four Council house building, the identified Registered Social Landlord, Atrium Homes or its subsidiary Atrium Initiatives, has its operational base in East Ayrshire, so as to be able to: better project manage the process; seek to maximise efficiencies in terms of procuring and delivering the new homes; provide value for money; ensure high standard product delivery; and promote ongoing local labour initiatives. The Council therefore seeks to procure the proposed new Council housing through a collaborative arrangement with a locally based developing Registered Social Landlord.</p> <p>Given that the site is located in Kilmarnock where Atrium Homes has its base and most of its stock, and that Atrium Initiatives have successfully completed the Phase One Council house building project and is on site with a further four small sites that comprise the Phases Two and Three proposals, it is proposed to negotiate with Atrium Initiatives.</p> <p>The Association therefore has capacity in terms of its current development programme, having: successfully completed new build affordable housing developments; commenced and completed Council house building works within the requisite timescale; employed experienced in-house development staff; and undertaken development work to include the provision of general needs, amenity and wheelchair access housing.</p> <p>The proposals aim to provide sustainable, high quality and cost effective housing, whilst also being designed to the meet the most recent Building Regulation Standards and those set out in the Registered Social Landlords' 'New Build Design Guide'. The designs proposed will reflect the specific needs of older/ ambulant disabled residents, and will comply fully with the necessary requirements outlined in the 'Housing for Varying Needs' Standards. Further details of the</p>

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		<p>proposed Design Criteria are set out under principle 5.c. 'Meets quality standard'.</p> <p>Indeed, the effectiveness of this arrangement was highlighted through the recent Scottish Government review of the Phase One Council house building programme undertaken in the form of a series of interviews with relevant Local Authorities by Heriot Watt University.</p> <p>Tender Pricing</p> <p>Negotiated tenders for each of the three phases of Council house building either completed or currently on site have been submitted by Atrium Initiative's Framework Contractor, McTaggart of Dalry, who was appointed following a competitive tendering exercise. Each tender has been analysed by the Consultant Quantity Surveyor and the Council's Asset Improvement Services so as to compare the tender costs with the market and with previous tender submissions received, prior to the Council instructing Atrium Initiatives to accept the tender amounts.</p> <p>It should be noted that in terms of the house types being provided for each of the phases of Council house building already completed, underway or proposed that they are all single storey in design so as to be suitable for the identified client group who are for older/ ambulant disabled people, acknowledging that single storey units are more expensive than two storey houses to construct as a result of the required house footprint. Additionally, all properties have been specified accordingly to suit the intended end-users, so that they all contain wet floor room facilities and non-slip flooring to bathrooms and kitchens.</p> <p>Phase One Council house building: utilised existing roads and adjacent services supplies; had already been cleared following demolition works undertaken by the Council and was therefore level, and did not contain contamination. This project has therefore provided a comparator for each of the subsequent Council house tender costs received, as well as other similar projects completed in the market. It is note-worthy that this first phase project has been completed some two months ahead of programme, and it is anticipated that the final account will be contained within the tender sum.</p>

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		<p>Phase Two Council house building tender rates were broadly in line with the Phase One costs. However, due to variations in the scope of works as a result of contamination, topography, lack of services and infrastructure, coupled with the smaller nature of two of the three Phase Two sites, the unit costs were higher. Nevertheless, as an exercise, in deducting off identified site specific variations, 'net' tender costs were derived which demonstrated that the cost per unit for two of the sites was either less or around the Phase One costs, with only one project recording higher unit costs due to its smaller size.</p> <p>Phase Three Council house building tender rates derive benefit from the site being located adjacent to one of the Phase Two sites, and as a result, from the Framework Contractor already being on site. Consequently, the Consultant Quantity Surveyor sought a reduction in the Phase Three Preliminaries costs in recognition of the substantial crossover in the contract period between Phases Two and Three site works. In addition, as the access road and drainage works serve both one of the Phase Two and the Phase Three sites, the Design Team Consultants designed the required infrastructure to take account of both sites, which were costed under the Phase two works; thereby realising a further saving on the Phase Three costs.</p> <p>Phase Four Council house building proposals will be procured using the same methodology as that employed for the previous phases of Council house building, and will draw on, and augment, existing site investigation reports previously commissioned following the demolition of the school which occupied the site. It would be further envisaged that adjacent services supplies may be utilised, in consultation with the appropriate utilities, the Design Team Consultants and the Framework Contractor.</p>
Insert any other relevant details or supporting commentary as required		
3. New homes	a. Pressured area in	The new houses will increase and complement the current Council social rented housing stock,

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<p>are prioritised to contribute to meeting homelessness targets and area has housing and/or regeneration need.</p>	<p>terms of the 2012 homelessness target.</p>	<p>particularly as a result of stock being lost through Right to Buy in areas of high demand. In addition, the new Allocations Policy has increased the transfer group allocation from 10 - 31%, which will release additional properties for allocation.</p> <p>Moreover, East Ayrshire Council has identified that the proposed additional new build Council houses will be provided for older/ ambulant disabled people. Following confirmation of a successful bid, the Council will develop and implement a Letting Plan specific to these properties, so as to award priority to tenants in the social rented sector. In turn, it is anticipated that this lettings initiative will 'free up' mainstream social housing for applicants on the Council's Waiting List.</p> <p>Further, in accordance with its current Allocation Policy, East Ayrshire Council currently allocates 25% of vacancies to the Homeless Group.</p> <p>The Council seeks to secure additional affordable housing through its fourth bid for new Council House Building, to provide sustainable, affordable housing solutions for residents living in the communities of East Ayrshire.</p> <p>Additionally, linkages may be made to promoting the elimination of fuel poverty so that where eligible applicant lives in family-sized accommodation that is larger than the requirements of its occupants, there is an opportunity to allocate a house better suited to the tenant(s) in terms of the house size and type, in accordance with the approved Allocations Policy.</p>
	<p>b. Consistent with views on local housing/regeneration need.</p>	<p>The Council has undertaken two studies with regard to considering affordable housing:</p> <p>Affordable Housing Needs Study – Tribal Consultants</p> <p>In August 2006, Tribal Consultants completed a research study of Affordable Housing Needs in East Ayrshire.</p> <p>The Study concluded that although as a whole, East Ayrshire is not an area of housing market</p>

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		<p>pressure, there are some sub areas within the area where access to the housing market may be problematic for some households, notably, the Northern Area, Doon Valley and Kilmarnock Central (if trends continue). Moreover, within Kilmarnock (Central & South) and the Northern Areas, there were: rapidly rising house prices; pressure on the socially rented sector and; households in unmet housing need.</p> <p>Ayrshire Affordability and Migration Study – Newhaven Consultants</p> <p>The three Ayrshire Authorities, in conjunction with Communities Scotland, commissioned Newhaven Research in April 2007 to investigate affordability and migration within the Ayrshire housing system.</p> <p>This study concluded that since January 2000, house prices had risen sharply in all housing market areas, with the Kilmarnock Housing Market Area experiencing high house price increases within the second hand market relative to other housing market areas. It further re-affirmed that within East Ayrshire, there was greatest pressure on affordability in the Kilmarnock and Northern Sub-Areas, with Cumnock on the margins of being unaffordable in 2006.</p> <p>The study also investigated migration patterns within Ayrshire, and between it and other areas, and looked specifically at the impact of the M77 extension on the extent of integration of the Glasgow and Ayrshire Housing Markets. The findings showed that 85% of annual household movement took place wholly within East Ayrshire; and that between local authority areas, the largest cross-boundary flows were across East and South Ayrshire.</p> <p>This study indicates that there is an affordable housing need in East Ayrshire both in the Northern area and Kilmarnock.</p> <p>The Council is keen to ensure that housing of a high quality that is affordable to people on modest incomes is available throughout East Ayrshire’s communities, and in this regard, the Council’s Housing and Planning Services work jointly to promote this objective.</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria <i>(please delete text in box before completing the application)</i>
		<p data-bbox="712 236 1115 268">Affordable Housing Policy</p> <p data-bbox="712 309 2116 635">The affordable housing study commissioned by the Council's Housing Service in 2005/ 06, augmented a previous Housing Needs Assessment completed by consultants in 2004. The study showed that an affordable housing shortfall existed in Kilmarnock and in the northern area which includes the communities of Fenwick, Kilmaurs, Stewarton, Dunlop and Lugton. Accordingly, an affordable housing policy was incorporated into the local plan alteration, and supplementary planning guidance was prepared to explain how the affordable housing policy would be implemented. As part of the local plan consultation process, a number of objections to the affordable housing policy were received and the matter was dealt with at a local plan examination hearing in April 2010.</p> <p data-bbox="712 676 2116 1082">In examining the approach taken by the Council and all objections received to the policy, the appointed Scottish Government Reporter concluded that the affordable housing policy should be deleted. Under new legislation, planning authorities are bound by Reporter's recommendations. The main reason given by the Reporter for this decision is that the Council's evidence base for the affordable housing policy was not sufficiently robust. The Reporter has recommended the insertion of a proposal stating that the Council will prepare Supplementary Planning Guidance on Affordable Housing based upon the findings of the Housing Needs and Demand Assessment with a view to incorporating it into the proposed local development plan as soon as practicable. The Housing Needs and Demand Assessment is due to be completed by summer 2011. However, given the time implications of preparing a new local development plan, any new policy on affordable housing contained in the new local development plan will not be in force until Summer 2014.</p> <p data-bbox="712 1123 2116 1369">The fact that the current affordable housing policy has been deleted by the Reporter has implications for the provision of affordable housing in Kilmarnock, Stewarton, Kilmaurs and Fenwick which were previously required to produce 15% affordable housing in the case of Kilmarnock and 25% in the northern area settlements. The Council, as Planning Authority, cannot now require developers to provide affordable housing as part of their developments. The Council will, however, ask developers to provide affordable housing on a voluntary basis and include any such sites in the Strategic Housing Investment Plan.</p>

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		<p>Over the life of the Local Plan, presently unanticipated affordable housing needs may be identified in other communities throughout East Ayrshire. Such needs would be identified annually as part of the statutory requirement to provide an annual update of the Council's Local Housing Strategy. This is in accordance with the East Ayrshire Community Plan. Where such a need has been identified, the Council will seek appropriate levels of affordable housing provision for the particular settlements concerned, including areas of emerging affordable housing need out-with those referenced above, in line with the provisions of this policy.</p> <p>Further evidence of housing need across Sub Areas may be gathered from an analysis of Council House Sales between 2000 and 21st March 2011* by Ward.</p> <table border="1" data-bbox="719 662 2110 1294"> <thead> <tr> <th data-bbox="719 662 913 697">Ward</th> <th data-bbox="913 662 1055 697">2003/04</th> <th data-bbox="1055 662 1196 697">2004/05</th> <th data-bbox="1196 662 1337 697">2005/06</th> <th data-bbox="1337 662 1478 697">2006/07</th> <th data-bbox="1478 662 1619 697">2007/08</th> <th data-bbox="1619 662 1760 697">2008/09</th> <th data-bbox="1760 662 1901 697">2009/10</th> <th data-bbox="1901 662 2110 697">2011/12*</th> </tr> </thead> <tbody> <tr> <td data-bbox="719 697 913 734">Annick</td> <td 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1284">459</td> <td data-bbox="1337 1248 1478 1284">313</td> <td data-bbox="1478 1248 1619 1284">251</td> <td data-bbox="1619 1248 1760 1284">109</td> <td data-bbox="1760 1248 1901 1284">69</td> <td data-bbox="1901 1248 2110 1284">49</td> </tr> </tbody> </table> <p data-bbox="719 1332 2110 1362">These figures provide an indication of the location of the highest levels of former Right to Buy</p>	Ward	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2011/12*	Annick	46	30	32	25	18	10	10	5	Kilmarnock									North	23	39	43	16	19	5	3	1	Kilmarnock									West	87	65	48	27	30	10	6	6	Kilmarnock									East	98	75	47	45	42	19	5	8	Kilmarnock									South	85	61	62	40	27	11	11	4	Irvine									Valley	73	59	43	35	28	9	7	3	Ballochmyle	81	63	69	61	36	20	10	12	Cumnock	72	60	62	23	29	12	9	7	Doon									Valley	73	65	53	41	22	13	8	3	Total	638	517	459	313	251	109	69	49
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		<p>stock, and further demonstrate areas of high demand for housing across East Ayrshire.</p> <p>Since the introduction of the Right to Buy legislation in 1980, 12939 Council houses have been sold. As at 1st March 2011, the Council owned 12986 houses. The loss of 13338 from a total stock of 26495, excluding demolitions, represents 50.34% of all stock. The development of further Council house building would therefore seek to support the provision of new affordable housing options for the residents of East Ayrshire.</p> <p>Housing Market</p> <p>Taking account of the 'Affordability and Migration Within the Ayrshire Housing System Final Report', dated June 2007, the study concludes that in line with the rest of Scotland, the Ayrshire housing market is dominated by second hand sales. In the period from January 2000 to June 2006, there was a steep rise in house prices throughout Ayrshire. In the first six months of 2006, the median second-hand price stood at £88000, whilst the median new build price stood at £153000. This represents an increase of over 90% and 100% respectively over the period.</p> <p>The housing market, unlike that for many other products, has a strong spatial dimension. In order to understand the operation of the housing market, it is therefore important to have a clear picture of its spatial structure. Looking at the pattern of migration flows of house purchasers has confirmed that the Ayrshire housing system has a complex geographic structure involving seven housing market areas.</p> <p>Four major housing markets: Ayr Housing Market Area, Kilmarnock Housing Market Area, Irvine Housing Market Area and the Three Towns Housing Market Area. These operate across the core investment area outlined in the second Ayrshire Structure Plan. Whilst these four Housing Market Areas remain distinctive, there are signs that they are becoming more open and that the degree of inter-connectivity between them is increasing.</p> <p>Three remaining housing market areas: North Coast, Garnock Valley, Girvan and South Carrick are more open and rural in nature. In addition, the Ayr Housing Market Area and Kilmarnock</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria <i>(please delete text in box before completing the application)</i>
		<p>Housing Market Area each contain three distinctive sub-areas.</p> <p>The four major Housing Market Areas have all experienced greater price pressure than the rest of Scotland. In the period 2000 to 2006, median second hand prices in these four housing markets increased by between 95% and 105% compared to 89% in the rest of Scotland.</p> <p>The large majority (70%) of the population that moved within East Ayrshire in 2005 comprised low-income families (27%), families on the move (14%) and town centre singles (12%).The other main feature of migration from South to East Ayrshire is the country lifestyles group, which accounts for 14% of moves. Moves from North Ayrshire to East Ayrshire are dominated by low income families at 29% and families on the move at 24%, as defined within the Descriptions of mosaic Groups (Principle 5 supporting commentary).</p> <p>As noted previously, with an increase in house prices throughout Ayrshire, and an opening up of Housing Market Areas, pressure is increasing on the provision of housing that is available for the population moving within East Ayrshire. Coupled with the down-turn in the availability of mortgage products, it is anticipated that the provision of further Council housing for older/ ambulant disabled people will assist in complementing the range of affordable housing solutions developed in the East Ayrshire Strategic Housing Investment Plan through making larger homes available for families to access affordable housing within identified communities.</p> <p>Analysis of need for type of houses</p> <p>There are currently 174 applicants over the age of sixty on the housing list who have been assessed as having an identified need for one or two bed sized accommodation in New Farm Loch. It is likely that, based on previous experience, there will be an increase in applications for this type of accommodation once these proposals are publicised.</p> <p>No. of Applications for Area Made</p> <p>As noted, the Council participated in the delivery of a pan-Ayrshire study in 2007 'Affordability and</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)
		<p>Migration Within the Ayrshire Housing System' to establish need for affordable housing, in conjunction with the then Communities Scotland.</p> <p>As the bid submission is not aligned to the ongoing production of the East Ayrshire Housing Need and Demand Assessment being carried out as part of the development of its new Local Housing Strategy, the Council has not yet completed full analysis in terms of its updated Housing Need and Demand Assessment in this regard.</p> <p>However, the predicted population change from 2004 to 2024, extracted from the General Register Office of Scotland 2005, shows an increase in the number of people of retirement age or over for East Ayrshire.</p> <p>Further, the Review of Services for Older People in East Ayrshire that was approved in 2006 promotes: the independence of older people; more choice and control over how older people manage their lives; and the ability of older people to remain within their own homes where there is scope and it is practical to do so.</p> <p>Having undertaken an analysis of demand across the area that contains the proposed former St.Joseph's school site in Kilmarnock, i.e. New Farm Loch, as at 12 April 2011, estimated demand is as follows:</p> <p>174 applicants for the 1 or 2 bed age group aged 60+, with an additional 54 applicants in the 55-59 age group. Further, in considering the wider Kilmarnock North area in which New Farm Loch is located, there are 650 applicants aged over 60, and a further 188 aged between 55 and 59, who require 1 or 2 bed properties.</p> <p>Extracted from The Scottish Household Survey 2003/ 2004 and 2004/ 2005, East Ayrshire records 61% and 71% of older smaller households with a net income of less than £10K per annum respectively. The private rented and owner occupied markets are therefore beyond the reach of many older people living in East Ayrshire. The Council anticipates that, based on a range of demand and income information, older people will move from general needs to new build houses</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)
		<p>better suited to meet need, in terms of both their physical requirements and the properties' energy efficiency gains.</p> <p>Consultation events have been held for each of the Council's Phase One, Two and Three Council House Building developments at MacDonald Drive in New Farm Loch, Creelshaugh Road in Fenwick, Newlands Drive and Lammermuir Road in Kilmarnock. Analysis of the feedback from the first phase event records 24 of the 34 local residents invited to the event came along on the day. Of the 15 that completed survey questionnaires, feedback indicated a need for more of the same in terms of the provision of housing for older, ambulant disabled people.</p> <p>In terms of the three second and one third phase events, feedback again was positive, with particular reference to: the single storey nature of the houses and the fact that they are designed for older/ ambulant disabled people; the wet floor shower room designs; the opportunity to provide new Council housing; and that the housing will be an asset; improving the area and being much-needed.</p> <p>Cessnock Gardens</p> <p>In support of this bid proposal, an analysis of allocations information supplied by Shire Housing Association of those residents moving from their current housing to the development at Cessnock Gardens, Hurlford referenced in the bid, demonstrates that of the 26 applicants, 25 moved from general needs housing to the smaller houses provided through the development, and 20 were previously tenants.</p> <p>Further, the Phase One Council house building works allowed for the development of 10, two bedroom sized new build houses for older/ ambulant disabled people. The works commenced on site on 29 March 2010, in accordance with the funding criteria, and completed on 30 November 2010; over two months ahead of programme.</p> <p>The Phase One new build Council houses have been allocated as follows:</p>

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)				
		Previous tenure	Previous house size and location	Household composition	Age of Occupants	Assessed support needs
		EA Secure	2 bed Muirkirk	1 adult	78	Low level
		EA Secure	2 bed New Farm Loch	2 adults	69 : 73	Low level
		EA Secure	2 bed Bonnyton	1 adult	72	Low level
		EA Secure	1 bed Crosshouse	2 adults	81 : 72	Low level
		EA Secure	3 bed New Farm Loch	1 adult	71	Low level
		EA Secure	1 bed Bonnyton	2 adults	69 : 69	Low level
		EA Secure	3 bed Bellfield	1 adult	64	Low level
		EA Secure	1 bed New Farm Loch	1 adult	67	Low level
		EA Secure	2 bed New Farm Loch	2 adults	81 : 69	Low level
		EA Secure	1 bed New Farm Loch	2 adults	76 : 74	Low level
<i>Data as at 21 March 2011</i>						
As detailed within the table, all tenants were previously Council tenants, and all have been assessed as having low level support needs. The housing released by the moves to the new build housing will realise much-needed housing in high demand areas for six families initially, with further allocations being made for the remaining four properties which, in turn, may free up larger sized accommodation.						

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Insert any other relevant details or supporting commentary as required								
4. Council demonstrates well developed plans, ensuring delivery.	a. Can be on site by 31 March 2012.	<p>Indicative Project Programme</p> <p>The indicative project programme attached as Principle 4. Relevant Details and Supporting Commentary is set out on a month to month basis and will apply to the proposed development within this fourth phase bid. The programme is achievable, assuming minimal unforeseen issues, and allows for a site start within financial year 2011/ 2012 for the proposed development, i.e. March 2012, assuming a seven month period to work up the proposed development from approval of the bid.</p> <p>An officer group has already been established comprising representatives from Housing (both Operations and Housing Options), Estates, Finance and Legal Services to promote the proposals for Council House Building. The identified partner Registered Social Landlord will also be represented on the group for the proposed development. The new build proposals are to be developed on a cleared site. In addition, officer group meetings already take place with Housing and Legal Services and the partner Registered Social Landlord so as to monitor project progress for the ongoing Council house building programme.</p> <p>Key Milestones</p> <table border="1" data-bbox="902 1236 1924 1386"> <thead> <tr> <th data-bbox="902 1236 1245 1310">Year</th> <th data-bbox="1245 1236 1924 1310">2010/ 2011</th> </tr> </thead> <tbody> <tr> <td data-bbox="902 1310 1245 1350">Area/ Site</td> <td data-bbox="1245 1310 1924 1350">Kilmarnock North</td> </tr> <tr> <td data-bbox="902 1350 1245 1386">Address</td> <td data-bbox="1245 1350 1924 1386">Former St.Joseph's school, Grassyards</td> </tr> </tbody> </table>	Year	2010/ 2011	Area/ Site	Kilmarnock North	Address	Former St.Joseph's school, Grassyards
Year	2010/ 2011							
Area/ Site	Kilmarnock North							
Address	Former St.Joseph's school, Grassyards							

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)																													
			<table border="1" data-bbox="900 228 1926 877"> <tr> <td data-bbox="900 228 1245 263"></td> <td data-bbox="1245 228 1926 263">Road, New Farm Loch, Kilmarnock</td> </tr> <tr> <td data-bbox="900 263 1245 304">No. units</td> <td data-bbox="1245 263 1926 304">10</td> </tr> <tr> <td data-bbox="900 304 1245 346">Size</td> <td data-bbox="1245 304 1926 346">2 bed</td> </tr> <tr> <td data-bbox="900 346 1245 387">Client</td> <td data-bbox="1245 346 1926 387">Older/ ambulant disabled</td> </tr> <tr> <td data-bbox="900 387 1245 429">Subsidy level (£)</td> <td data-bbox="1245 387 1926 429">30000</td> </tr> <tr> <td data-bbox="900 429 1245 499">East Ayrshire Council funding (£)</td> <td data-bbox="1245 429 1926 499">85000</td> </tr> <tr> <td data-bbox="900 499 1245 541">Units per site</td> <td data-bbox="1245 499 1926 541">10</td> </tr> <tr> <td colspan="2" data-bbox="900 541 1926 582">Indicative Milestones</td> </tr> <tr> <td data-bbox="900 582 1245 624">Planning approval</td> <td data-bbox="1245 582 1926 624">By December 2011</td> </tr> <tr> <td data-bbox="900 624 1245 694">Tender issue (Tender negotiation)</td> <td data-bbox="1245 624 1926 694">By February 2012</td> </tr> <tr> <td data-bbox="900 694 1245 764">Demolition/ site clearance</td> <td data-bbox="1245 694 1926 764">N/A</td> </tr> <tr> <td data-bbox="900 764 1245 805">Start construction</td> <td data-bbox="1245 764 1926 805">March 2012</td> </tr> <tr> <td data-bbox="900 805 1245 847">Completion date</td> <td data-bbox="1245 805 1926 847">January 2013</td> </tr> <tr> <td data-bbox="900 847 1245 877">Site Ownership</td> <td data-bbox="1245 847 1926 877">General Services Account (Education)</td> </tr> </table> <p data-bbox="703 909 1041 949">Planning Application</p> <p data-bbox="703 981 2125 1236">It is anticipated that the planning application for the site will be dealt with within the statutory timeframe, which is two months although all applications require to be put for determination before the relevant planning committee which meet once a month in line with the current Scheme of Delegation due to the council's interest in these proposals. Time periods can be affected by any issues raised through the neighbour notification and consultation processes and the Planning Authority will be in a better position to further clarify determination timescales once the applications have been received.</p> <p data-bbox="703 1276 2125 1391">Building Warrants that relate to any development that include a social element are automatically fast-tracked. Provided the required minimum level of information is supplied, which can be accommodated via pre-warrant discussions, a warrant application may be processed in ten days,</p>		Road, New Farm Loch, Kilmarnock	No. units	10	Size	2 bed	Client	Older/ ambulant disabled	Subsidy level (£)	30000	East Ayrshire Council funding (£)	85000	Units per site	10	Indicative Milestones		Planning approval	By December 2011	Tender issue (Tender negotiation)	By February 2012	Demolition/ site clearance	N/A	Start construction	March 2012	Completion date	January 2013	Site Ownership	General Services Account (Education)
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		<p>with one additional day to issue the required paperwork.</p> <p>Work plan</p> <p>In terms of current work planning, having identified the preferred location for this further new Council housing development, the next key project lead-in milestone will be to negotiate the appointment of the preferred Registered Social Landlord. This appointment is anticipated to be completed by August 2011.</p> <p>As the proposed site for the Phase Four bid has previously been developed, pre-start negotiation with statutory authorities will be commenced drawing on site investigation works already undertaken, which are to be supplemented.</p> <p>Timescales</p> <p>It is anticipated that a site start for the site may be achieved before the end of financial year 2011/2012, i.e. March 2012.</p> <p>Allowing for the appointment of the preferred Registered Social Landlord partner by negotiation, and taking advantage of their Framework Agreement for Construction, it is anticipated that Atrium Initiatives would be formally appointed in August 2011. A further seven month period would be anticipated to achieve site start in March 2012, with a ten month on-site phase, so as to achieve a completion in January 2013.</p>
	<p>b. Homes are additional to the existing social housing stock in the council area and are not completed already or in council</p>	<p>The properties are to be developed on the site of a former school, which has been demolished. As such, the properties have not already been built.</p>

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	<p>or RSL ownership.</p> <p>c. Council has agreed scope and is committed to funding for the project.</p>	<p>At its meeting held on 1 June 2011, Cabinet approved the fourth phase Council house building bid to provide a further 10 new build Council houses, with an associated total borrowing requirement of £0.850M, as set out in the approved Strategic Housing Investment Plan 2011/ 12 – 2015/ 16.</p> <p>At its meeting, Cabinet further authorised:</p> <p>the submission of the fourth phase bid for funding to assist in the provision of new Council housing in accordance with the total number of new houses, as set out in the approved East Ayrshire Strategic Housing Investment Plan 2011/ 12 – 2015/ 16,</p> <p>subject to Scottish Government approval of the fourth stage bid, transfer of 0.75 acres, or thereby, being part of the site of the former St.Joseph's school at Grassyards Road, Kilmarnock, from the General Services Account to the Housing Revenue Account for the purpose of the new Council house building programme subject to the consent of the Scottish Government in terms of Section 205 (2) of the Housing (Scotland) Act 1987,</p> <p>the appointment of Atrium Homes or their subsidiary company, Atrium Initiatives, to manage the design and build process relative to the fourth phase of the Council house building programme in accordance with the provisions of paragraph 20 (1) of the Council's standing orders relating to contracts,</p> <p>due to timescales involved, agree that authorisation be given to implement the recommendations prior to any consideration by the Governance and Scrutiny Committee as to delay implementation would seriously prejudice the Council's position in relation to achieving a site start at the end of the financial year,</p> <p>note a further report on progress will be submitted to a future Cabinet meeting.</p>

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	d. Can clear title to the land to be developed be demonstrated?	The land on which the Council housing is proposed to be built is owned by the Council, and has clear title to the site; whilst the original title followed the granting of a Compulsory Powers Order in 1951 for the construction of a school this does not preclude the disposal of the site at this stage or appropriation in terms of the 73 (1) of the Local Government (Scotland) Act 1973 of part of the site for another authority purpose; in addition the consent of the Scottish Government in terms of section 203(2) of the Housing (Scotland) Act 1987 will be required to include the site in the Housing Account.
Insert any other relevant details or supporting commentary as required	Refer to the attached indicative project programme.	
<p>5. The proposed developments fit with the Local Housing Strategy and the number of units that are built is maximised within the resources available but not at the expense of having to</p>	a. Consistent with local housing strategy (LHS).	<p>Local Context</p> <p>East Ayrshire is home to around 120,210 people within a mixture of urban and rural settlements. Kilmarnock (population 43,600) is the largest settlement in the north of the authority, while the south is more rural comprising many former mining communities, including its main town of Cumnock (population 9,400).</p> <p>The key issues in which strategic planning for affordable housing are set are detailed below:</p> <ul style="list-style-type: none"> • Mix of urban and rural settlements gives rise to different challenges, particularly between the north and south of the Authority area. • Significant areas of rural hinterland and a number of particularly remote communities. • A large number of settlements with varied populations, residential, economic, commercial, cultural and community services. • Lower levels of owner occupation and private renting than Scotland as a whole, with 1 in 3

PRINCIPLE	CRITERIA	Evidence of meeting criteria (<i>please delete text in box before completing the application</i>)
<p>compromise on design quality and quality of place.</p>		<p>East Ayrshire households living within a Council property.</p> <ul style="list-style-type: none"> • Owner occupation is the dominant tenure, with 58% of the population owning their home. • Lower house prices overall, than the national average, but with significant variation within each area. • Major role for the social rented sector within the East Ayrshire housing system split between the Council and thirteen Registered Social Landlords. • Growing private rented sector, which is responding to the Scottish Government’s agenda to deliver improvements in both landlord services, and property quality in this tenure. • Challenging Local Economy that, although predicted to grow at a steady rate, is at a pace below the national average. • Overrepresentation of manufacturing and engineering industries in the area and the continued under representation of financial and business services is forecast. • High levels of unemployment in particular pockets of the authority and high levels of deprivation, with almost a quarter of the population living in the most deprived wards in Scotland. • The median annual household income is below the Scottish average. • The period to 2018 is expected to see an overall decline of 7.8% in the population of East Ayrshire. • The numbers of younger people is expected to decrease sharply, while the number of people in the older age groups is expected to rise. • Number of households is expected to rise, with the number of single people households experiencing a significant increase. <p>The East Ayrshire Local Housing Strategy 2004/ 2009</p> <p>The previous East Ayrshire Local Housing Strategy aims were to:</p> <p>Aim One Support the Community Planning Partnership to regenerate disadvantaged areas and develop sustainable communities.</p> <p>The provision of ten further new Council houses in the Kilmarnock area will support the creation of</p>

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		<p>sustainable communities, by redressing stock lost in popular locations through the Right to Buy, as demonstrated with the recently completed Phase One allocations. It will also provide new, smaller-sized houses suitable for older residents in response to demographic trends data, thereby allowing larger sized accommodation to be allocated to families wishing to remain within their local communities. In this way, further Council-led new housing development will contribute to alleviating pressures on affordable housing waiting lists and promoting area regeneration across East Ayrshire.</p> <p>Over the last five financial years, East Ayrshire Council has secured £45.415 million of Affordable Housing Investment Programme funding which has been invested into the provision of 434 affordable homes by locally developing Registered Social Landlord partners, in response to identified housing need. The Council seeks to continue to build on these established working arrangements to secure the provision of additional, new affordable Council housing so as to promote sustained area regeneration in priority communities.</p> <p>Aim Two Improve resident satisfaction with home and the surrounding environment</p> <p>Through the development of energy efficient new build housing which will all have SMART meters, the proposed ten Council houses will provide high standards of thermal insulation, making homes more efficient in terms of running and maintenance costs for the householder and landlord respectively, in accordance with the Scottish Housing Quality Standard for social landlords.</p> <p>The proposed housing will also be built to Secure by Design standards, thereby minimising opportunities for opportunist crime in and around the home environment.</p> <p>Aim Three Ensure Equal Access to an Adequate Supply of Good Quality Affordable Accommodation</p> <p>As previously reported, from the Affordable Housing Needs and the Ayrshire Affordability and Migration Studies undertaken by Tribal Consultants and Newhaven Consultants respectively, together with current Waiting List data, there is evidence of a growing demand for the provision of</p>

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		<p>affordable housing across East Ayrshire. This position has been exacerbated by the current lack of: confidence in the housing market in terms of new supply of affordable housing in the private sector; and financial products with which to access home ownership. This climate has put additional pressures on the Council's Housing Waiting List figures across the authority area, thereby increasing pressure for more affordable housing provision.</p> <p>Aim Four Ensure individuals requiring support to live independently in the community are enabled to do so</p> <p>By 2014, some 13,100 people in East Ayrshire are predicted to be aged between 65 and 74. A further 10,300 will be over 75. Over 90% of them live in their own homes, with a rough 50/ 50 split between the social rented sector and owner occupation. A small number live in the private rented sector. Less than 10% of the entire older population in East Ayrshire lives in residential or supported accommodation.</p> <p>Key to the development of the proposed new Council housing is a recognition that national and local demographic trends report a growing older population. In developing a further ten houses specifically for older/ ambulant disabled people, the Council seeks to enhance this supply, thereby making existing larger-sized properties available for existing and new residents to East Ayrshire. Local service delivery and joint-working arrangements already identified and in place to support those residents to remain in their own homes may then be delivered in a more coordinated and efficient manner.</p> <p>The East Ayrshire Local Housing Strategy 2011/ 2016</p> <p>Arrangements for the submission of a second round of Local Housing Strategies were published by the Scottish Government and supported by updated guidance in June 2008. The guidance sets out key changes to the format and detail of Local Housing Strategies in accordance with the new relationship between central and local government established through the Concordat, and in line with proposed changes in national policy direction.</p>

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		<p>Local Authorities can choose to submit the Local Housing Strategy at any point between the conclusion of consultation on the Main Issues Report and submission of the proposed plan to Scottish Ministers. Therefore, submission will be staggered between the end of 2009 and the end of 2011, depending on the Local Authority's timescale for submission of the proposed plan.</p> <p>The Council's Planning Service has started work on the new East Ayrshire Local Development Plan and the first stage of this process is the publication of a Main Issues Report and Monitoring Statement which is programmed for October 2011. The Monitoring Statement will look at how successful previous plans have been in achieving their strategies and the Main Issues Report will highlight the main areas of change in land use terms and will consult on a set of alternatives for tackling this change.</p> <p>So as to facilitate the integration of Local Housing Strategies and Development Plans, the submission of Local Housing Strategies will now be linked to the submission dates of Local Development Plans. It will be important for the Local Housing Strategy and Main Issues Reports of Local Development Plans to be prepared in tandem; with both informed by the outcomes of the required housing need and demand assessment.</p> <p>The proposed deadline for submission of the next East Ayrshire Local Housing Strategy, to reflect the outcomes of the Housing Need and Demand Assessment, is December 2011 following consultation on the Main Issues Report.</p> <p>The East Ayrshire Local Plan 2010</p> <p>The East Ayrshire Local Plan was formally adopted by the Council in October 2010. This local plan fully complies with the provisions of the Ayrshire Joint Structure Plan 2007 and identifies a generous supply of housing land to the year 2017.</p> <p>The East Ayrshire Local Plan 2010 includes the Development Strategy information that informs and influences the Strategic Housing Investment Plan.</p> <p>The prime housing objective of the Local Plan is to allocate, in accordance with the provisions of</p>

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		<p>the replacement structure plan, a sufficient supply and choice of housing land, together with any associated ancillary and service facilities, to meet all East Ayrshire housing needs to 2017, whilst taking into consideration future housing land requirements to 2025.</p> <p>The allocation of housing sites in the revised Local Plan has specifically taken the following factors into consideration:</p> <ul style="list-style-type: none"> • the impact of the M77 extension particularly on Kilmarnock and other communities in the Glasgow Link Corridor; • constraints in water and sewerage infrastructure provision and the ability of a site to overcome those constraints; • the existence of any physical or topographical constraints; • the ability of a site to be integrated with the settlement within which it is proposed and with the transport infrastructure to which it relates; • the ability and capacity of the landscape to accommodate the size and scale of residential development proposed. <p>Development Plan adopted policies on tenure mix and quality of design</p> <p>There are no particular requirements set out in the local plan as to the tenure of housing at this location. All proposals for housing development should, however, be of the highest quality of design and should integrate well with their surroundings. The Scottish Government has produced Designing Streets manual which is now national policy. Developers should adopt the principles set out in this document when designing new housing sites.</p> <p>East Ayrshire Affordable Housing Policy</p> <p>The Ayrshire Joint Structure Plan 2007 states that in some areas, demand for affordable housing exceeds the supply, further compounded by the availability and cost of sites. The Structure Plan further adds that to address the deficiencies, affordable policies in Local Plans should be prepared and in general, Local Plans should seek affordable housing contributions consistent with Local</p>

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		<p>Housing Strategies.</p> <p>The Council is keen to ensure that housing of a high quality that is affordable to people on modest incomes is available throughout East Ayrshire's communities, and in this regard, the Council's Housing and Planning Services worked jointly to promote this objective.</p> <p>An affordable housing study was commissioned by the Council's Housing Service in 2005/ 06, augmenting a previous Housing Needs Assessment completed by consultants in 2004. The study showed that an affordable housing shortfall existed in Kilmarnock and in the northern area which includes the communities of Fenwick, Kilmaurs, Stewarton, Dunlop and Lugton. Accordingly, an affordable housing policy was incorporated into the local plan alteration, and supplementary planning guidance was prepared to explain how the affordable housing policy would be implemented. As part of the local plan consultation process, a number of objections to the affordable housing policy were received and the matter was dealt with at a local plan examination hearing in April 2010.</p> <p>In examining the approach taken by the Council and all objections received to the policy, the appointed Scottish Government Reporter concluded that the affordable housing policy should be deleted. Under new legislation, planning authorities are bound by Reporter's recommendations. The main reason given by the Reporter for this decision is that the Council's evidence base for the affordable housing policy was not sufficiently robust. The Reporter has recommended the insertion of a proposal stating that the Council will prepare Supplementary Planning Guidance on Affordable Housing based upon the findings of the Housing Needs and Demand Assessment with a view to incorporating it into the proposed local development plan as soon as practicable. As stated previously, the Housing Needs and Demand Assessment will be completed by summer 2011. However, given the time implications of preparing a new local development plan, any new policy on affordable housing contained in the new local development plan will not be in force until Summer 2014.</p> <p>The fact that the current affordable housing policy has been deleted by the Reporter has implications for the provision of affordable housing in Kilmarnock, Stewarton, Kilmaurs and</p>

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		<p>Fenwick which were previously required to produce 15% affordable housing in the case of Kilmarnock and 25% in the northern area settlements. The Council, as Planning Authority, cannot now require developers to provide affordable housing as part of their developments. The Council will, however, ask developers to provide affordable housing on a voluntary basis and include any such sites in the Strategic Housing Investment Plan.</p>
	<p>b. Fits with Strategic Housing Investment Programme (SHIP).</p>	<p>East Ayrshire Strategic Housing Investment Plan 2011/ 12 - 2015/ 16</p> <p>The East Ayrshire Strategic Housing Investment Plan 2011/ 12 - 2015/ 16 has been developed to include a range of affordable housing solutions, to include the provision of Council house building within identified Housing Market Areas.</p> <p>The Strategic Housing Investment Plan was submitted to the Scottish Government by the due deadline of 30 November 2010, following consideration and approval by the Council's Corporate Management Team, and Elected Members at the Cabinet meeting held on 17 November 2010.</p> <p>The Council re-submitted a first round bid for the provision of new Council Housing to both the Scottish Government and COSLA in May 2009 and submitted a second round bid in September 2009, and a further third round bid in April 2010, and has been successful in securing a total of £1.300M of funding to facilitate the development of fifty houses for older/ ambulant disabled people in Fenwick and across Kilmarnock, to reflect the first, second and third formal Strategic Housing Investment Plan submissions to include Council house building activity.</p> <p>Altogether, the approved Strategic Housing Investment Plan promotes the creation of 20 new affordable housing developments over a 5 year period, to supply 449 new affordable homes across a range of needs. The tenure patterns include:</p> <ul style="list-style-type: none"> • RSL Affordable Rent, • Local Authority Affordable Rent, • Private Sector Low Cost Home Ownership (LCHO) initiatives

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		<p>The affordable housing developments will respond to identified housing need arising from:</p> <ul style="list-style-type: none"> • General needs housing, • Community care housing for older people and people with complex needs, • Identified Initiative Areas, • Homelessness: <ul style="list-style-type: none"> ○ Hostel facility, ○ Formerly looked after and young people, • Existing and new Local Development Plan land releases, • Master planning exercises. <p>Significantly, the programme allows for the complementary provision of affordable housing in partnership with Private Developers.</p> <p>The programme assumed an Affordable Housing Investment Programme resource allocation of between £3.3M and £5.5M for years one to five to reflect the allocation for 2010/ 2011 and the anticipated allocation for the new financial year, to total approximately £10.9M per annum over the five year lifespan of the programme. The allocation awarded to East Ayrshire for 2009/ 2010 was in the sum of £8.933M and for 2010/ 2011 was in the sum of £4.874M plus consequentials to total £5.505. As part of the recently announced Investment and Innovation Fund, the Council seeks to promote its Year One proposals so as to procure new build housing for the development of: a site approved to be disposed by the Council to a locally based Registered Social Landlord for the provision of social rented housing to include identified community care houses; a site in partnership with a private developer through a design and build arrangement to realise fifteen affordable houses on the site; and the acquisition of existing tenanted houses and a site from a charitable organisation so as to provide security of tenure for the residents and further much-needed housing for older/ ambulant disabled people in the south of the Local Authority area.</p> <p>Set within this framework, the Phase Four Council House Building proposals assume Scottish Government subsidy of no more than £0.030M per unit, to total £0.300M for the ten-unit Council</p>

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		<p>house development proposed. Each new house is estimated to cost in the region of £0.115M gross to develop. This sum is to be supplemented by Council Contributions via Land and Prudential Borrowing in the sum of approximately £0.850M for the ten unit development, relative to the overall programme spend proposal. The total borrowing requirement would be £0.850M.</p> <p>Given the range of affordable housing solutions contained within the approved Strategic Housing Investment Plan, drawing on both the Affordable Housing Investment Programme and from other resources in terms of both the Council's and Private Developers' input, the proposals for the provision of an additional ten new Council House Building will not adversely impact the delivery of other affordable housing supply via the Affordable Housing Investment Programme. Indeed, the supply of Council housing seeks to complement the affordable housing provision as set out in the approved Strategic Housing Investment Plan.</p>
	c. Meets quality standard.	<p>Design Concept</p> <p>The proposals allow for the provision of ten, two bedroom, four person house layouts.</p> <p>The proposals aim to be both high quality and cost effective, whilst also designed to meet the current Building Regulation Standards and those set out in the Registered Social Landlords' 'New Build Design Guide'. The design reflects the specific needs of older/ ambulant disabled residents, and complies fully with the necessary requirements outlined in the 'Housing for Varying Needs' Standards.</p>
Insert any other relevant details or supporting commentary as required	<p>Security Conscious Design</p> <p>The design of the proposed housing aims to achieve eligibility for 'Secured by Design' accreditation from Strathclyde Police. All properties will have their own front and back doors, so removing the risk of unauthorised access through communal closes. In addition, all properties will benefit from having glazed openings overlooking entrance areas, providing natural surveillance.</p>	

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		<p>Effective Landscaping</p> <p>Landscaping to communal areas throughout the housing developments will be kept to a minimum height, thereby reducing shaded areas and allowing residents to monitor the areas more easily.</p> <p>Physical Security</p> <p>The construction design will incorporate traditional materials, i.e. facing brick, concrete roof tiles, lockable double glazed windows and doors, all in compliance with 'Secured By Design' requirements. A layout will be designed to form a barrier around the extents of the site, whilst creating a well-overlooked, rear, communal landscaped garden and parking area.</p> <p>Lighting</p> <p>All properties will have external lights mounted above front and rear entrances to provide a safe and secure environment for tenants and their vehicles.</p> <p>All properties will have SMART meters to allow residents to monitor their fuel consumption within their newly constructed houses.</p> <p>Internal Design</p> <p>Space Standards</p> <p>Generous space standards will be incorporated throughout the proposed internal house layouts, so as to maximise usable floor space. All houses will conform to the criteria contained within Housing for Varying Needs Standards.</p> <p>Functionality of Internal Spaces</p> <p>The house layouts and individual rooms will therefore be designed to allow tenants to carry out their daily activities unhindered.</p>

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	<p>Accessibility and Flexibility</p> <p>The houses will incorporate barrier free design standards, and subject to ground levels, will include ground floor level access to the front and rear of all properties.</p> <p>Relationship with External Spaces</p> <p>All properties will be designed so that they look out onto surrounding external spaces, and these areas will be linked by designated paths. Communal external areas will be designed to be overlooked by neighbouring properties.</p> <p>External Design</p> <p>Gardens</p> <p>All properties will be designed to have direct access to enclosed gardens to the rear, and each property will have its own drying area. These areas will be well maintained.</p> <p>Boundaries</p> <p>Generally, throughout the proposed housing developments, fencing enclosing front garden areas will be 1.0 metre high metal fencing, with 1.4 metre high timber fencing enclosing rear gardens. Timber post and wire divisional fencing is proposed to be utilised between properties to front gardens throughout.</p> <p>Accessibility</p> <p>Any new access road and pavements will incorporate a shared surface. All roads and pavements, parking bays will have a paviour finish. All properties will be easily accessed via paved paths to maximise accessibility for all residents and visitors.</p> <p>Maintenance</p>	

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		<p>The external works will be designed with low maintenance as a focus, using traditional long-life materials and landscaping which will require low maintenance throughout its lifespan.</p> <p>Sustainability</p> <p>The aim of the sustainable approach will be to achieve sustainable design through the innovative use of low impact building techniques and materials and high insulation standards.</p> <p>More specifically, this approach to the proposed design will be to create new homes that: people will want to live in; are warm and dry; energy efficient and have low running costs for residents, thereby becoming a long-term asset to the landlord and the communities of East Ayrshire, as well as respecting the environment.</p>

AFFORDABILITY AND MIGRATION WITHIN THE AYRSHIRE HOUSING SYSTEM

Summary Descriptions of Each Mosaic Group

Upper Echelons

This group consists of professionals, senior managers and others able to afford spacious housing in the choicest locations. As the most affluent Mosaic group, these households exert most influence on the upper end of the housing market.

Families on the Move

This group includes younger or early middle working age single and dual earning households starting or growing their families. This group tends to live in houses build after 1945 and is the key customer segment for newly built housing.

Small Town Propriety

This group includes retired households as well as middle aged to older working home owners whose jobs are likely to root them in the community – such as local craftspeople, shopkeepers and other professions serving people rather than business customers. They are less likely to move than younger households.

Country Lifestyles

This group generally comprises of middle aged/ older working and retired households rather than families with young children. These households have a rural lifestyle, in terms of where they live and type of work. When moving house, they are likely to move between rural areas rather than into urban areas.

Urban Sophisticates

This is a highly mobile, well educated and affluent group that own or rent well appointed properties and are most often found in Scotland's larger cities.

Town Centre Singles

This diverse group includes single person and childless couples across the age spectrum. Many of these households are mobile but they are also less affluent than families on the move or urban sophisticates. They are therefore more likely to encounter affordability issues than these other two mobile groups.

Renters Now Owning

This group consists mainly of households that exercised their right to buy. As such they tend to be older and more settled.

Low Income Families

This group consists mainly of families and lone parents. Most of these households contain at least one person in employment, often in lower paid occupations. Many rent from a social landlord but this group may also include those buying their home through some form of shared equity. These households are quite mobile and may be most affected by affordability issues.

State Beneficiaries

This group in the main rent from a social landlord and includes single people, childless couples and pensioners as well as households with children, most of whom are heavily reliant on state benefit. They are relatively geographically immobile compared with other groups, particularly low-income families.

Shades of Grey

This group includes older person households living in sheltered accommodation as well as housing originally built for families. Most rent from a social landlord and many rely on the state pension as their source of income.

Note: The 'descriptor' labels (such as shades of grey) are those used by Experian and reflect the marketing origins of the MOSAIC classification system.