

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref PH/JS

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Transforming Places New Supply Programme – Update on Progress

From Pamela Humphries, Chief Officer (Place)

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Executive Summary

The purpose of this report is to update Committee on progress of the new supply programme, which aims to deliver 5,000 homes by 2035. This report also provides an update on progress against annual targets previously set, outlines current challenges in delivering the programme, and seeks approval for revised targets.

Recommendations

It is recommended that Housing Committee:

- (1) Consider the contents of the report regarding progress of the new supply programme.
- (2) Acknowledge the challenges impacting on the delivery of the new supply programme.
- (3) Approve the proposed targets for delivery of the programme set out in 2.12.
- (4) Acknowledge that a review is underway to assess the potential for any expansion of the new supply programme to help meet housing requirements, including options for Mid Market Rent linked to the further development of town centre living projects.

The Plan for North Lanarkshire

Priority	Improve the health and wellbeing of our communities
Ambition statement	(1) Ensure a housing mix that supports social inclusion and economic growth
Programme of Work	Transforming Places

1. Background

- 1.1 In May 2018, Committee approved proposals to increase the new supply programme to deliver 5,000 new homes by 2035. This was strategically linked to the re-provisioning of all tower blocks (4,600 flats) over 20 years. It was estimated that around 2,300 new homes (50%) would be built on the sites of the tower blocks following their demolition. The target also included an assumption that the council would purchase around 550 homes through an expanded empty homes purchase scheme, which had enabled the council to buy back a number of former council houses.
- 1.2 In September 2019, Committee approved proposals to pilot a “Development Pathfinder” scheme to enable the council to acquire completed housing units from developers “off the shelf”. The council already acquired “off the shelf” from developers in the north area where the Affordable Housing Policy applies, however Committee agreed to extend this approach to the Motherwell, Bellshill, Coatbridge and Airdrie areas. It was noted that this could potentially act as a catalyst to enable private development sites to be brought forward and therefore stimulate investment in these areas and increase new housing provision. In November 2020, Committee approved proposals to extend the ‘Development Pathfinder’ scheme to cover all of North Lanarkshire.
- 1.3 In November 2023, Committee received an update on the progress with delivery of the programme and approved targets for delivery of the programme up to 2035. It was previously agreed that an annual update would be provided to committee regarding the delivery of the programme. This report provides an update on progress to date against previous targets, outlines the challenges encountered, mitigation measures in place to address challenges and sets out the proposed targets for the coming years.

2. Report

- 2.1 In 2023/24, the council’s new supply programme achieved the 2nd highest completion figures for affordable housing across the national programme, resulting in its strongest performance since inception in 2010. 335 new build homes were delivered against a target of 334, spread across eleven sites within the authority. As of 11th October 2024, the programme has delivered 1,526 new build homes, creating transformational change within communities and having a positive impact on the lives of our tenants. Several recently completed sites have been nominated for national awards (best healthy homes & best regeneration project) and the New Supply team recently won Best Development Team (Urban) at the national Inside Housing awards.
- 2.2 The new build programme also recorded its highest level of expenditure during 2023/24 with £55.529m invested. The Affordable Housing Supply Programme budget remains a key resource with £12.52m of grant drawn down during 2023/24.
- 2.3 In 2023/24, the Open Market Purchase Scheme (OMPS) also performed well, acquiring 126 homes against an initial target of 100. The council received 463 applications in the period, highlighting the popularity of the scheme. In addition to responding to online applications, the team review the open market via property websites for properties in areas with the highest levels of housing need, however this approach had had limited success as many properties are sold above market value.
- 2.4 As of 11th October 2024, 793 homes have now been purchased through the Empty Homes and Open Market Purchase Scheme. The Open Market Purchase Scheme (OMPS) has been proven as an effective housing delivery mechanism by providing much needed accommodation to meet local need, whilst representing value for money

in the current market with an average purchase and repair cost of £112k in 2023/24. Through our vetting process, officers continue to prioritise properties which are last in a block resulting in full council ownership, high demand areas and landlord properties whereby tenants are at risk of homelessness or contain vulnerable tenants.

- 2.5 As of 11th October 2024, 267 homes have been delivered through the Affordable Housing Policy and 'Developer Pathfinder' off the shelf initiative. In 2023/24, 82 properties were acquired from a range of developers, enhancing tenure diversity for new housing developments across the authority. Acquisition via this method remains cost effective in the current market conditions whilst achieving several strategic objectives of North Lanarkshire's Local Housing Strategy. Officers continue to work closely with developers on potential projects across the authority.
- 2.6 Despite the new supply programme's recent success, there are several challenges that are faced at a national level that may impact future performance in terms of increasing housing supply. Availability of Affordable Housing Supply Programme (AHSP) grant funding is a key risk with the 2024/25 budget reducing by £8.03m for North Lanarkshire. The overall budget shared by all 32 local authorities has decreased by £196.1m (26%) when compared to the previous year's allocation. Officers continue to work with the Scottish Government's More Homes team to maximise available funding for North Lanarkshire and make best use of available resources.
- 2.7 The council have also responded on the Scottish Government's proposed changes to the energy and environmental standards consultation, which seeks feedback on the introduction of a Scottish equivalent to the Passivhaus standard for new build housing. The key aim is to reduce energy demands through measures such as improved fabric insulation and zero direct emission heating systems. However, it is clear that achieving higher standards of energy efficiency will ultimately increase costs of new build developments.
- 2.8 The new supply programme is key to delivering transformation change as set out in The Plan for North Lanarkshire by providing affordable, modern homes whilst realising our vision of regenerating town centres, retaining buildings of historical importance, and promoting town centre living. Cost projections to redevelop historical buildings remain significantly higher than standard new build due to greater complexity and risks associated with conversion of existing buildings.
- 2.9 The latest construction forecast data from BCIS indicates that building costs will increase by 15% over the next five years, while tender prices will rise by 19% over the same period. Increased costs associated with the delivery of the new supply programme will continue to be monitored and factored into the HRA 30-year projections which incorporates grant funding assumptions.
- 2.10 Scottish Water's Surface Water Connection Policy continues to restrict delivery of key housing developments and several projects have been paused. The policy prevents new connections to combined infrastructure with Scottish Water actively seeking to reduce surface water from entering the existing network.
- 2.11 In line with national policies, the new supply programme seeks to develop brownfield sites within council ownership. These sites are typically problematic to develop due to a variety of factors such as contamination, mine workings and made ground. The cost to remediate unfavourable ground conditions can make smaller developments financially unviable due to an inability to achieve economies of scale that larger developments can provide.

Programme Targets

- 2.12 Due to the nature of the new supply programme and the fluctuating market in which it operates, long-term projections can often vary. Estimated targets for this and future years are set out in the table below, including the balance to be delivered by 2035.

Table 1 New Supply Projections as at November 2024

Year	New Build Council	New Build Off the Shelf	OMPS (incl. targeted extension)	Total	Approved Targets November 2023
2023/24 (final outturn)	253	82	126	461	434
2024/25	183	98	100	381	368
2025/26	33	20	120	173	433
2026/27	239	20	100	359	372
2027/28	197	75	100	372	215
2028/29	200	20	100	320	218
2029 - 2035	697	232	359	1288	1466
Total	1802	547	1005	3354	3506
Completions (to March 2023)	893	123	630	1646	
Grand total	2695	670	1635	5000	

- 2.13 As noted in section 2.1 of the report, new build targets for 2023/24 for both new build and OMPS were both achieved. This reflects the successful completion of several key projects. As of 11th October 2024, the programme has achieved 46% of its overall target of 5,000 by 2035.
- 2.14 Projections for 2024/25 through to 2035 have been adjusted to reflect current projections for sites on site or under design development. Whilst the projection for 2025/26 appears low in terms of completions, next year will see six new developments totalling 140 units commencing on site with completions to follow.
- 2.15 The delivery of the new supply programme will be closely monitored with regular updates provided to Committee, including annual updates on progress against targets and any further adjustments that may be required.
- 2.16 A review is currently underway to identify potential opportunities to accelerate and expand the programme including exploring alternative tenure options to support town centre regeneration and wider economic and population growth. Potential new sites are also being reviewed for suitability and inclusion on the new supply programme.

3. Measures of success

- 3.1 The measure of success will be the effective delivery of the council's new supply programme which aims to deliver 5,000 homes by 2035.

- 3.2 The new supply programme will also contribute to the regeneration of town centres within North Lanarkshire which remains a key priority within the Transforming Places Programme of Work.
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4. Supporting documentation

Appendix 1 – New Build Sites as of 11th October 2024



**Pamela Humphries
Chief Officer (Place)**

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes No

If Yes, please provide a brief summary of the impact?

The new supply programme helps support delivery of the seven strategic outcomes of the local housing strategy whilst meeting the statutory requirements and contributing to national priorities and targets.

If Yes, has an assessment been carried out and published on the council's website? <https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments>

Yes No

5.2 Financial impact

Does the report contain any financial impacts?

Yes No

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes No

If Yes, please provide a brief summary of the impact?

The new supply programme is funded through a combination of prudential borrowing, capital funding, Scottish Government grant funding and subsidy income. The affordability of both the new supply and OMPS are reviewed each year and incorporated into the 30-year Business Plan. Grant funding for new build is £83,584 per unit, based on a 3-person equivalent as well as additional grant funding available for additional quality measures and renewables. The OMPS can secure between £30k-£50k in grant funding per property based on acquisition cost.

The Affordable Housing Supply Programme (AHSP) budget for 2024/25 budget has been reduced by 26% with North Lanarkshire's budget allocation reducing by £8.03m. The available budget for future years is not yet known. The potential impact on the council's programme is being closely monitored and any potential impact on the delivery of the council's programme will be reported to Committee.

5.3 HR policy impact

Does the report contain any HR policy or procedure impacts?

Yes No

If Yes, have all relevant HR impacts been discussed and agreed with People Resources?

Yes No

If Yes, please provide a brief summary of the impact?

5.4 Legal impact

Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)?

Yes No

If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic?

Yes No

If Yes, please provide a brief summary of the impact?

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes No

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes No

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes No

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

The new supply programme has been considered through the Strategic Environmental Assessment (SEA) as required by the Environmental Assessment (Scotland) Act 2005 and there are no major issues of relevance identified.

All new homes are built to the current technical standards or higher.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

The new supply programme is promoted via the strategic PR plan with Corporate Communications with Local Members and other key stakeholders.

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

The councils Risk Management Strategy 2023- 2026 is adopted at both a service and project level basis for delivery of the new supply programme. This incorporates

risk management governance, structure and methodology which are reviewed at regular intervals.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1

New Build Sites as of 11th October 2024

Area	Location	Units	Comments	Completion Year	Annual Completions
Holytown	Main St	10	Completed (Amenity)	2010/11	
Holytown	Spruce Way	10	Completed	2010/11	
Motherwell	Ravenscraig (David Wilson Homes)	18	Completed (off the shelf)	2010/11	(2010/11) 38
Airdrie	Clarkston PS	19	Completed	2011/12	
Millerston	Coshneuk Rd	11	Completed (Amenity)	2011/12	
Cumbernauld	North Rd	29	Completed	2011/12	
Wishaw	Cambusnethan PS	20	Completed (Amenity)	2011/12	(2011/12) 79
Viewpark	Laburnum Rd (Phase 1)	12	Completed	2012/13	(2012/13) 12
Viewpark	Laburnum Rd (Phase 2)	28	Completed	2013/14	
Moodiesburn	Gartferry Road	50	Completed	2013/14	
Cumbernauld	Westfield Drive	30	Completed	2013/14	(2013/14) 108
Airdrie	Former Albert PS	14	Completed	2014/15	
Chryston	Lanrig Rd	27	Completed (Amenity)	2014/15	
Coatbridge	Corsewall St	14	Completed	2014/15	(2014/15) 55
Bellshill	Former Belvidere PS	20	Completed	2015/16	
Kilsyth	Fisher Ave	30	Completed	2015/16	
Chryston	Old Lindsaybeg Rd (Persimmon)	14	Completed (off the shelf)	2015/16	(2015/16) 64
Motherwell	Glencain Tower site	25	Completed	2016/17	(2016/17) 25
Viewpark	Former Tannochside PS	16	Completed	2017/18	
Wishaw	Walkerburn Dr, Coltness	20	Completed	2017/18	
Cumbernauld	Cardowan Drive	30	Completed	2017/18	
Cumbernauld	Kildrum Nursery	16	Completed	2017/18	
Chryston	Station Rd (Persimmon)	30	Completed (off the shelf)	2017/18	
Chapelhall	Former St Aloysius PS (Phase 1)	24	Completed	2017/18	(2017/18) 136
Chapelhall	Former St Aloysius PS (Phase 2)	6	Completed	2018/19	
Cumbernauld	Brown Road	20	Completed	2018/19	
New Stevenston	Former New Stevenston PS	15	Completed	2018/19	
Chryston	Greenlea Road	21	Completed	2018/19	
Coatbridge	Old School Court	20	Completed	2018/19	
Airdrie	Former Alexandra PS	14	Completed	2018/19	
Harthill	Former Harthill PS	20	Completed	2018/19	(2018/19) 116
Motherwell	Cleekhimmin, Ravenscraig (Barratt)	10	Completed (off the shelf)	2019/20	
Coatbridge	Blair Road	40	Completed	2019/20	
Motherwell	Calder PS	30	Completed	2019/20	
Gartcosh	Johnston Road / Inchnock Ave (Phase 1) (Bellway)	16	Completed (off the shelf)	2019/20	
Cumbernauld	Cedar Road Nursery	14	Completed	2019/20	
Chryston	Main Street (Bellway)	18	Completed (off the shelf)	2019/20	
Wishaw	Meadowhead Rd, Ravenscraig (Keepmoat)	11	Completed (off the shelf)	2019/20	(2019/20) 139
Bellshill	Caledonian Avenue (Phase 1)	19	Completed	2020/21	
Wishaw	Dimsdale Road (Phase 1)	6	Completed	2020/21	(2020/21) 25
Bellshill	Caledonian Avenue (Phase 2)	8	Completed	2021/22	
Wishaw	Dimsdale Road (Further Phases)	55	Completed	2021/22	
Coatbridge	St James PS / Lismore Drive	58	Completed	2021/22	
Wishaw	Roberts Street (Belhaven House)	16	Completed	2021/22	(2021/22) 137
Wishaw	Mossburn St, Waterloo	20	Completed	2022/23	
Plains	Plains PS	16	Completed	2022/23	
Bellshill	Community Road	29	Completed	2022/23	
Airdrie	Dykehead Road, Holehills (Phase 1)	11	Completed	2022/23	
Motherwell	Torrance Park (Phase 1) (Barratt)	6	Completed (off the shelf)	2022/23	(2022/23) 82
Chryston	Chilterns Care Home, Lindsaybeg Road	21	Completed	2023/24	
Airdrie	Dykehead Road, Holehills (Further Phases)	139	Completed	2023/24	
Stepps	Gateside Farm (Barratt)	30	Completed (off the shelf)	2023/24	
Motherwell	Torrance Park (Phase 2) (Barratt)	4	Completed (off the shelf)	2023/24	
Motherwell	Ravenscliff Rd, Ravenscraig	24	Completed	2023/24	
Moodiesburn	Auchengeich, Gartferry Road (Bellway)	12	Completed (off the shelf)	2023/24	
Wishaw	Castlehill Road, Gowkthrappe (Phase 1-4)	19	Completed	2023/24	
Airdrie	Northburn Place	31	Completed	2023/24	
Shotts	Springhill Road (Keepmoat)	12	Completed (off the shelf)	2023/24	
Coatbridge	Lorne Place (Allanwater)	24	Completed (off the shelf)	2023/24	
Coatbridge	Berwick St	19	Completed	2023/24	(2023/24) 335
Airdrie	Glenacre Drive	16	Completed	2024/25	
Wishaw	Castlehill Road (Further Phases)	57	Completed	2024/25	
Airdrie	Former Orrs Building (Wilson)	20	Completed (off the shelf)	2024/25	
Chryston	Gartferry Road (Allanwater) (Phase 1-2)	12	Completed (off the shelf)	2024/25	
Coatbridge	Calder Gardens, Cambroë (Barratt)	18	Completed (off the shelf)	2024/25	
Airdrie	Petersburn Road (Former Petersburn PS)	40	Completed	2024/25	
Gartcosh	Johnston Road (Phase 2) (Bellway)	12	Completed (off the shelf)	2024/25	(2024/25) 175
Sub total		1526	Completed		Total 1526

Completed

O n - s i t e	Wishaw	Castlehill Road, Gowkthrapple (Remaining Phases)	21	On Site	
	Motherwell	Brandon Street	48	On Site	
	Cumbernauld	Dowanfield Road (Zoom)	24	On Site (off the shelf)	
	Chryston	Gartferry Road (Allanwater) (Remaining Phases)	10	On Site (off the shelf)	
	Airdrie	Northburn (Shop Conversion)	1	On Site	
	Bellshill	Thorn Road	26	On Site	
	Sub total		130	On site	
D e s i g n D e v e l o p m e n t	Coatbridge	School Street (Former Columba HS)	127	Contract Awarded	
	Viewpark	Laburnum Road	26	Tender Stage	
	Coatbridge	Bank Street	16	Tender Stage	
	Wishaw	Graham Street	13	Tender Stage	
	Coatbridge	Kildonan Street	43	Planning app approved	
	Cumbernauld	Glasgow Road (Former Cumbernauld Village PS)	8	Planning app approved	
	Glenboig	Main Street (Former Police Station)	7	Planning app approved	
	Wishaw	King Street	5	Tender Stage	
	Wishaw	Stewarton Street & Kings House	18	Tender Stage	
	Motherwell	Former Motherwell Town Hall	20	Tender Stage	
	Millerston	Coshneuk Road	17	Planning app submitted	
	Wishaw	Caledonian Road	15	Tender Stage	
	Caldercruix	Hill Street (Former St Mary's PS)	25	Design development underway	
	Motherwell	Hope Street (Masonic Hall)	10	Design development underway	
	Coatbridge	Main Street	49	Planning app approved	
	Motherwell	Dalzell Drive	24	Design development underway	
	Newmains	Newton Drive (Former St Brigid's PS)	35	Design development underway	
	Coatbridge	Tay Street (Former Pentland PS)	16	Design development underway	
	Coatbridge	Kildonan Street (Former Portland HS)	16	Design development underway	
	Viewpark	Elm Crescent (Former Muirpark Care Home)	25	Design development underway	
	Airdrie	Gartlea Road (Coats House)	28	Design development underway	
	Wishaw	Main Street (Arvil Block)	32	Approved at Committee - August 2024	
	Glenboig	Glenboig Road (Marnoch)	30	Approved at Committee - August 2024	
Bellshill	Hattonrigg Road	20	Approved at Committee - August 2024		
Sub total		625	Design development underway		
P r o v i s i o n i n g	Coatbridge	Shawhead	100	Re-provisioning site Planning app submitted	
	Coatbridge	Dunbeth	114	Re-provisioning site	
	Coatbridge	Jackson	56	Re-provisioning site	
	Motherwell	Coursington	84	Re-provisioning site	
	Sub total		354	Re-provisioning sites	
O f f T h e S h e l f	Cumbernauld	Community Growth Area - Phases 1-3 (Bellway)	75	Off the shelf Planning app approved	
	Coatbridge	Former DWP Offices, South Circular Road (ML5 Limited)	39	Off the shelf Purchase approved at Committee	
	Motherwell	Prospecthill Road (O'Brien Properties Limited)	23	Off the shelf Purchase approved at Committee	
	Sub total		137	Future off the shelf purchases from developers	
	Total		2772		