



REPORT TO SOCIAL WORK AND HOUSING COMMITTEE - 4 JUNE 2015
AFFORDABLE HOUSING: UPDATE

1 Committee is recommended to:

- 1.1 Provide comment regarding the Council's New Build Housing programme and the Innovation Reserve Fund development programme.**
- 1.2 Approve proposals regarding the implementation of "Create Homes Aberdeenshire" – National Housing Trust Council Variant.**
- 1.3 Note progress made regarding the developments within the approved Six Key Areas for Development funding.**

2 Council's New Build Programme

2.1 Phase 1 – Phase 4

Since 2010 the Housing Service has successfully delivered 163 new affordable homes in 10 different settlements across Aberdeenshire.

2.2 Phase 5

The Council's new build housing programme of 169 units includes the following projects as approved at Social Work and Housing Committee, with details updated on 6 November 2014. The projects are at varying stages of the development process, as outlined below;

Conglass, Inverurie

Eight bungalows for rent developed as part of a Care Village which will also see the delivery of a 60 bed Care Home. Funding of £0.368m has been secured from Scottish Government to deliver the 8 bungalows. The contract was awarded to Robertson's. Work on site is approaching completion with an anticipated handover in July 2015.

St James's Court, Inverurie

This development consists of a facility of 24 extra care units for rent to accommodate Learning Disability client group. Funding of £1.104m has been secured from Scottish Government for this development. The contract was awarded to Bancon with completion scheduled for July 2015.

Barrasgate, Fraserburgh

This innovative development of 30 units for rent is being jointly funded with the Scottish Government Greener Homes Innovation Scheme. Additional funding grant has been approved by Scottish Government, bringing the total grant to £1.638m. The housing within this development is of an exceptional standard; the Passivhaus standard will be applied to two units; the Scottish Technical Standards, Gold Standard will apply to a further two units; and the

Silver Standard will apply to the other 26 units. The originally appointed contractor has gone into administration leaving the development part completed. A re-tendering exercise is underway to appoint a contractor to complete construction works. It is anticipated that work on site will re-commence in September 2015. When completed, this development will contribute significantly to the physical and social regeneration of Fraserburgh.

Carmelite St, Banff

This development consists of 3 x 1 bed flats for rent on a brownfield town centre site. Scottish Government funding of £0.195m has been secured for this development. This contract has been awarded to Ken Barbour and work commenced on site in May 2014, with completion anticipated by end of June 2015.

Craigewan, Peterhead

This development is a joint venture with Sanctuary Scotland Housing Association Ltd and will provide 62 units in total. The Council development consists of a facility of 11 extra care units to accommodate Learning Disability client group as well as 31 units for mainstream social rent across a range of property types and sizes. Scottish Government funding of £1.932m has been secured for this development. Construction work is ongoing by the contractor, Graham Construction, with completion anticipated during September 2015.

Broadshade, Westhill

This development consists of 30 units for rent across a range of property types and sizes. Stewart Milne Homes have completed and handed over 22 of the units with the remaining 8 to be completed by June 2015. Scottish Government funding of £1.380m has been secured for this development.

Patrick Geddes Way, Ballater

This development will comprise of 8 x 2 bed houses for rent. Scottish Government funding of £0.368m has been secured for this development. Construction works are ongoing with the contractor Bancon, with completion scheduled for July 2015.

Martin Brae, Inverurie

This proposed development is for 24 units for rent across a range of property types and sizes. Demolition works have been completed however construction has not yet progressed beyond the foundations stage due to the contractor, Muirfield Construction, going into administration. A re-tendering exercise is underway to appoint a contractor to complete construction works. It is anticipated that work on site will re-commence in August 2015. Scottish Government funding of £1.104m has been secured for this development.

2.3 Phase 6

The current programme as approved by Social Work and Housing Committee on November 2014, is being progressed by officers. Table 1 (below) outlines the settlements and unit numbers anticipated to be delivered during the period 2015 to 2018, subject to viability assessments which are currently ongoing. It is proposed that a further report to Committee will provide additional details on Phase 6 as they become available.

Table 1 - Proposed Phase 6 New Build Housing Programme

| Proposed Phase 6 New Build Housing Programme | |
|---|---------------------|
| Location | Unit Numbers |
| Balmedie | 10 |
| Huntly | 12 |
| Peterhead 1 | 8 |
| Peterhead 2 | 30 |
| Turriff | 12 |
| Total | 72 |

The Turriff and the Huntly projects, as above, form part of an additional 188 units which are being supported by the Council's Innovation Reserve Fund (IRF). Table 2, below, outlines the entire proposed development programme supported by the IRF, as approved by Policy and Resources Committee on 23rd April 2015.

Table 2

| | | Development Programme – Innovation Reserve Fund | | | | | | | |
|--------------|---------------------------|--|-----------------------------------|------------------------|-------------|--|---|---|---------------------|
| Area | Development | Developer | Tenure and Number of Units | | | Total Development Costs £ 000 | SGovt/ Other Grant £ 000 | Private Finance/ HRA £ 000 | GF £ 000 |
| | | | Social Rent | Mid Market Rent | LCHO | | | | |
| G | Inverurie Uryside | Grampian HA | | 13 | | 1.570 | 0.390 | 1.115 | 0.065 |
| B | Peterhead Caley Buildings | Langstane HA | 15 | | | 1.701 | 0.776 | 0.667 | 0.258 |
| KM | Stonehaven Ury | Sanctuary HA | 51 | 12 | 6 | 9.783 | 4.522 | 4.621 | 0.640 |
| KM | Marykirk | Sanctuary HA | 19 | | | 3.190 | 0.913 | 2.182 | 0.095 |
| F | Turriff Erroll Court | Aberdeenshire Council | 12 | | | 1.620 | 0.552 | 0.948 | 0.120 |
| M | Huntly | Aberdeenshire Council | 12 | | | 1.423 | 0.552 | 0.671 | 0.200 |
| BB | Banff Bridge St | Aberdeenshire Council | 10 | | | 1.500 | 0.572 | 0.638 | 0.290 |
| BB | Banff Golden Knowes Road | Langstane HA | 28 | | | 3.641 | 1.726 | 1.492 | 0.423 |
| G | Westhill Broadshade | AHP | | 10 | | 0.970 | 0.300 | 0.550 | 0.120 |
| TOTAL | | 188 | 147 | 35 | 6 | 25.398 | 10.303 | 12.884 | 2.211 |

- 2.4 Officers are now working with partners to progress the delivery of these 188 units subject to obtaining the necessary approvals and consents. Current projections indicate that across the various developments site starts would commence during 2015/16 with units completed by March 2017, subject to confirmation of all funding streams. The total projected cost, of £2.211m could potentially be mitigated by additional grant funding

from the Scottish Government as currently being investigated. Further reports will be made to Committee in due course to provide updates as appropriate.

3 Create Homes Aberdeenshire – National Housing Trust Council Variant

- 3.1 With a view to further addressing the high and evidenced requirement for affordable housing within Aberdeenshire, an initial report seeking approval in principle to take part in the NHT Council Variant for providing intermediate/mid-market rented housing in Aberdeenshire was submitted to Policy and Resources Committee on 12 June 2014. An update report was presented to Social Work and Housing on 6 November 2014. A further report was approved by Policy and Resources Committee on 15 January 2015 including the final Business Case and Governance Framework.
- 3.2 In accordance with approvals, work has been completed to reach formal agreement with the Scottish Futures Trust to enter into a Limited Liability Partnership (LLP) to deliver accommodation to be made available at an intermediate rent on Short Assured Tenancies. Further agreement has been concluded with the Scottish Government, permitting Aberdeenshire Council to provide loan financing to the LLP from the Public Works Loan Board.
- 3.3 The LLP has been incorporated with Companies House as 'Create Homes Aberdeenshire' and the first board meeting has taken place. Maintenance and Management services to Create Homes Aberdeenshire will be provided by Aberdeenshire Council, with workshops ongoing to prepare officers who shall be executing the services.
- 3.4 The first development is anticipated for a phased delivery with 12 units due for handover at the end of June 2015 in Westhill. Alex Neil MSP, Cabinet Secretary for Social Justice, Communities, and Pensioners' Rights, is proposing to visit the development site in Westhill on the 22 June with local ward members. The Chair and Vice-Chair of Social Work and Housing Committee will also be invited to attend. The second phase, comprising a further 12 units is anticipated for completion by August 2015 with an Opening Ceremony proposed upon delivery of the all of the completed units, details of which will be confirmed in due course.

4. Six Key Areas for Development Funding

- 4.1 The affordable housing projects in Inch (22 units for social rent) and Port Elphinston (20 units for social rent and 8 units for mid-market rent) are completed and occupied. Works are progressing well on the Peterhead development with the completion of 20 units for social rent by September 2015. The Macduff project is also progressing well with completion of 20 units for social rent anticipated August 2014. Completion of the 12 social rent units at the Strichen development are anticipated for completion by July 2015. Officers will continue to closely monitor the three ongoing developments to ensure appropriate progress.

5 Consultations

- 5.1 The Head of Finance and monitoring officer within Corporate Services have been consulted in the preparation of this report.

6 Equalities, Staffing and Financial Implications

- 6.1 An EIA has been undertaken for affordable housing as part of the SHIP process as approved by Committee on 6 November 2014. There are no other implications arising from this report.

7 Financial Implications

- 7.1 The financing of the Housing Revenue Account Capital programme is integral to the ongoing Housing business planning process to be fully reviewed in September 2015 and report to this Committee in December 2015.
- 7.2 The NHT (Council variant) Create Homes is a limited liability partnership and funded separately from the Council's HRA and General Fund via loan funding, all as approved by Policy and Resource Committee on 13 November 2014.

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