

COMMUNITIES COMMITTEE – 20 DECEMBER 2018

STRATEGIC HOUSING INVESTMENT PLAN MONITORING REPORT

1 Recommendations

The committee is recommended to:

1.1 Comment on and approve the draft Strategic Housing Investment Plan Monitoring Report.

2 Background / Discussion

- 2.1 At its meeting on 8 November 2018, the Committee approved the Strategic Housing Investment Plan 2019-2024 for submission to the Scottish Government. In doing so members requested that a report be brought back to allow the Committee to monitor progress in delivering the plan.
- 2.2 The core purpose of the Strategic Housing Investment Plan is to set out investment priorities for affordable housing over a five year period to achieve the outcomes set out in the Local Housing Strategy 2018-2023 and the Council Plan 2017-2022.
- 2.3 Delivery of the Local Housing Strategy will be monitored through an annual performance report to Area Committees and Communities Committee. To enable the Committee to monitor the delivery of the affordable housing programme a set of performance measures have been included in appendix 1. These are:
- Number of unit starts (overall)
 - Number of unit completions (overall)
 - Number of social rent properties started per year
 - Number of social rent properties completed per year
 - Number of intermediate properties started per year
 - Number of intermediate properties completed per year
- 2.6 Although the 2019-2024 version of the plan does not formally begin until April 2019, performance information has been included for the period 1 April 2018 to 30 September 2018. This relates to delivery of the existing version of the plan from 2018-2023. This helps to illustrate the information that can be included in the proposed monitoring report. It is proposed that this information is presented to the Committee every six months.
- 2.7 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3 Scheme of Governance

- 3.1 The Committee is able to consider this item in terms of Section D7.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to scrutiny of service delivery.

4 Implications and Risk

- 4.1 An Equalities Impact Assessment was carried out as part of the development of the plan and was previously reported to Committee on 8 November 2018.
- 4.2 There are no resource requirements arising from the recommendations in this report.
- 4.3 The following Risks have been identified as relevant to this matter on a Strategic Level as noted in the [Directorate Risk Registers](#): Lack of affordable house development sites means dependence on S75 agreements with developers; Oil and gas downturn impacts on rate of house building causing Government affordable housing targets to be missed; Fall in average cost of rental properties has made mid-market developments less desirable and more properties are becoming harder to let; Demand for affordable housing exceeds supply causing rise in homelessness. This will be mitigated by continuing to identify suitable assets/land suitable for the development of affordable housing and maximising all funding streams to optimise the delivery of affordable housing across all tenures to meet housing need.
- 4.5 The Town Centre First Principle has been embedded throughout the Strategic Housing Investment Plan and a Town Centre Impact Assessment was carried out with a potential positive impact noted. This was reported to the 8 November 2018 meeting of the Committee.

Stephen Archer
Director of Infrastructure Services

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21 November 2018

Number of Social Rent properties completed per year				
	Target	Status	Value	Base (17/18)
2018/19 (April – September)	340		132	170
2019/20	340			
2020/21	340			
2021/22	340			
2022/23	340			
2023/24	340			
Notes	Please note during the period April 2018 to September 2018 132 units were completed, 28 across the Council New Build programme and 104 units across our RSL partners. This included developments across the following locations Macduff, Portsoy, Peterhead, Kingseat, Kemnay, Inverurie, Insch and Laurencekirk. Of these 132 units, 6 were suitable for particular needs.			

Number of Social Rent properties started per year		
	Value	Base (17/18)
2018/19 (April – September)	251	Information not available
2019/20		
2020/21		
2021/22		
2022/23		
2023/24		
Notes	<p>Meantime work has commenced on site for 251 units of which 91 are being delivered through the Council's New Build programme, the remaining 160 through our RSL partners. This includes across the following locations Fraserburgh, Peterhead, Turriff, Oldmeldrum, Newburgh, Inverurie, Stonehaven, Monymusk and Huntly. Of these 251 units 37 are suitable for particular needs including 2 for wheelchair users.</p> <p>Data from published Q2 2018 (ASPC and Citylets) suggests that the local housing market is still sluggish; both the sales and rental market showing a decline with a continuing negative trend for annual house prices and rental values. Similarly the number of new build completions has also fallen with 889 completions during 2017 (Scottish Government). This is particularly significant in relation to contributions from the private development industry to affordable housing through the Local Development Plan's Affordable Housing Policy whereby "new housing development must contain 25% affordable housing". A high proportion – around 70% - of current and future affordable housing development is or will be as a consequence of this policy. As such, it will be dictated by the development industry's build-out rate, intrinsically linked to the performance of the economy. However quarterly data published by ASPC and Citylets indicates that there is an easing in the rate of decline which could be levelling off, with the local economy more optimistic with Brent Crude Oil price levels remaining at a reasonable level.</p>	

Number of Intermediate Properties completed per year- this includes Mid Market housing and Affordable Home Ownership Options				
	Target	Status	Value	Base (17/18)
2018/19 (April – September)	85		1	33
2019/20	85			
2020/21	85			
2021/22	85			
2022/23	85			
2023/24	85			
Notes	During the period April 2018 to September 2018 one Low Cost Shared Equity home in Pitmedden was completed. A further 9 Resale LCSE properties were sold in Stuartfield, Newburgh, Insch, Stonehaven, Marywell, Banchory and Monymusk. There were no Mid Market properties during this period.			

Number of Intermediate Properties started per year- this includes Mid Market housing and Affordable Home Ownership Options				
	Value	Base (17/18)		
2018/19 (April – September)	19		Information not available	
2019/20				
2020/21				
2021/22				
2022/23				
2023/24				
Notes	Meantime work has commenced on site for 13 units for Mid Market Rent and 6 units for Shared Equity in Inverurie, Stonehaven and Banchory. As with social rented properties the delivery of intermediate properties is also affected by the local housing market and local economy conditions with a significant majority of properties coming forward as a result of contributions from the Affordable Housing Policy. Furthermore these prevailing conditions have resulted in an increased supply of properties available on the open market both for rent and purchase with some households having a wider range of choice with regards to their housing options with some households now choosing/able to purchase open market properties or rent privately. For other households there is still the challenge of being able to secure and finance the requisite mortgage and deposit. Local intelligence across the affordable housing providers suggests that there has been a fall in the level of interest in mid market properties with some properties taking longer to let.			