

## REPORT TO KINCARDINE AND MEARNS AREA COMMITTEE 29 OCTOBER 2019

### STRATEGIC HOUSING INVESTMENT PLAN 2020 - 2025

#### **1 Reason for Report / Summary**

- 1.1 This report seeks comments on the draft Strategic Housing Investment Plan 2020-2025 which is required to be submitted to Scottish Government.

#### **2 Recommendations**

**The Committee is recommended to:**

- 2.1 Provide comment to Communities Committee on the draft Strategic Housing Investment Plan 2020 – 2025.**

#### **3 Purpose and Decision Making Route**

- 3.1 Strategic Housing Investment Plans (SHIP) and Strategic Local Programmes are part of the Local Housing Strategy (LHS) process. They are the statements of affordable housing investment priorities in each local authority area which will guide the application of Scottish Government and other funding. In line with Scottish Government guidance issued August 2019, all local authorities are required to submit a SHIP to Scottish Government every year.
- 3.2 The draft Strategic Housing Investment Plan will be presented to the six area committees. The draft plan will be submitted to Scottish Government 25<sup>th</sup> October 2019, in line with Scottish Government requirements, subject to the approval of Communities Committee 7<sup>th</sup> November 2019. Consultation has also taken place with a variety of partners and details can be found in the Strategic Housing Investment Plan **Appendix 1**. The Council will receive feedback from the Scottish Government, which will inform the following year's investment decisions.

#### **4 Discussion**

- 4.1 The core purpose of the SHIP 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. The SHIP will provide a practical plan detailing how the LHS investment priorities will be delivered and forms the basis for more detailed programme planning. Essentially the SHIP:
- Sets out key investment priorities for affordable housing
  - Demonstrates how these will be delivered
  - Identifies the resources required to deliver these priorities
  - Enables the involvement of key partners

4.2 The SHIP has been drafted in accordance with the Resource Planning Assumptions as indicated by Scottish Government. This funding is intended to enable the delivery of affordable housing and sits alongside the City Region Deal. Over the course of the five year period potentially 2173 homes, with around 333 potentially suitable for particular needs households, of which 92 wheelchair accessible, could be delivered across Aberdeenshire subject to grant availability, financial capacity and financial viability. Of these 2173 homes, 385 in total are proposed for Kincardine and Mearns ; 216 for social rent, 87 for mid market rent and 82 for low cost shared equity as outlined in Table 1 below, with full details available in **Appendix 2**.

<b>Table 1 - Potential Affordable Housing Development Site Starts</b>								
Area	BB	B	F	G	KM	M	Aberdeenshire	Scottish Government Resource Planning Allocation £ million
<b>20/21</b>								
Council - Social Rent	38	78	12	0	0	72	200	
RSL - Social Rent	0	46	39	171	50	96	402	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	24	25	49	
RSL Low Cost Shared Equity	0	0	0	0	24	6	30	
Aberdeenshire Low Cost Shared Equity	8	5	3	6	9	3	34	
<b>Total</b>	<b>46</b>	<b>129</b>	<b>54</b>	<b>177</b>	<b>107</b>	<b>202</b>	<b>715</b>	<b>£32.626</b>
Area	BB	B	F	G	KM	M	Aberdeenshire	Scottish Government Resource Planning Allocation £ million
<b>21/22</b>								
Council - Social Rent	0	40	48	0	6	0	94	
RSL - Social Rent	16	11	43	101	49	14	234	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	36	12	48	
RSL Low Cost Shared Equity	0	0	0	0	10	0	10	
Aberdeenshire Low Cost Shared Equity	2	2	5	6	9	19	43	
<b>Total</b>	<b>18</b>	<b>53</b>	<b>96</b>	<b>107</b>	<b>110</b>	<b>45</b>	<b>429</b>	<b>£32.626</b>



Area	BB	B	F	G	KM	M	Aberdeenshire	Scottish Government Resource Planning Allocation £ million
<b>24/25</b>								
Council - Social Rent	0	23	0	0	0	0	23	
RSL - Social Rent	26	0	84	0	42	0	152	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	10	0	10	
RSL Low Cost Shared Equity	0	0	0	0	10	0	10	
Aberdeenshire Low Cost Shared Equity	2	0	3	1	6	0	12	
<b>Total</b>	<b>28</b>	<b>23</b>	<b>87</b>	<b>1</b>	<b>68</b>	<b>0</b>	<b>207</b>	<b>£32.626</b>
<b>Grand Total</b>	<b>160</b>	<b>347</b>	<b>540</b>	<b>408</b>	<b>385</b>	<b>333</b>	<b>2173</b>	<b>£163.130</b>

4.3 It should be noted that this plan is subject to developments coming forward timeously, including obtaining the necessary approvals and consents where appropriate. The local housing market still faces some challenges with a negative trend for annual house prices and rental values albeit there are some signs that conditions may be improving. This is significant in that it is important to recognise that a high proportion of current and future affordable housing developments will be in the form of contributions via the Affordable Housing Policy which are dictated by the development industry's build-out rate which is intrinsically linked to the economy and the local housing market. It should be noted that sites which are included in the plan are included for forward planning purposes only and inclusion does not represent a contract or award of funding for projects. Further background details are available in **Appendix 1**.

## 5 Council Priorities, Implications and Risk

5.1 This report helps deliver Council Priority 6 – Having the right mix of housing across all of Aberdeenshire.

5.2 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities	EIA attached as appendix 3		
Fairer Scotland Duty	EIA attached as appendix 3		
Town Centre First	Town Centre First Impact Assessment attached as appendix 4		

Sustainability	X		
Children and Young People's Rights and Wellbeing	X		

5.3 An equality impact assessment has been carried out as part of the development of the proposals set out above. It is attached as **Appendix 3** and the following impacts have been identified which can be mitigated as follows:

Whilst the plan will deliver affordable housing it will not meet all identified housing need. The constrained economic climate has inevitably impacted upon the local housing market and this is of particular relevance to the availability and timing of contributions through the Affordable Housing Policy. This will be mitigated by maximising funding streams to optimise the delivery of affordable housing and continuing to identify suitable assets/land for the development of affordable housing.

5.4 The financial viability of all potential Council new build projects is assessed in terms of the Housing Revenue Account (HRA) 30 year business plan to ensure that the capital costs generate a reasonable return on investment over the long term. The new build programme as a whole is monitored as part of the HRA capital monitoring process between finance, housing and property, with regular updates to Communities Committee.

5.5 More generally all projects across all partners will be subject to grant availability, financial capacity and financial viability. Achieving financial viability can often be challenging in the context of affordable housing delivery due to the requirement to keep rents affordable but also balancing this against increasing costs across the construction sector, land value aspirations, infrastructure costs, problematic brownfield sites as well as small rural sites.

5.6 With regards to sustainability, the development of new build housing will increase emissions in the short term, however these new homes will be built to the latest energy efficiency standards in order to meet Energy Efficiency Standard for Social Housing which will assist in reducing fuel poverty and reduction in carbon emissions in the longer term.

5.7 In respect of children and young people's rights and wellbeing, the increase in supply of new build affordable housing will have a positive effect in the terms of Safe, Healthy and Included as indicated below.

Impact on Wellbeing	Wellbeing Indicator	Positive	Negative	No Impact
	Safe	x		
	Healthy	x		
	Achieving			
	Nurtured			
	Active			
	Respected			
	Responsible			
	Included	x		

- 5.8 The following Risks have been identified as relevant to this matter on a Strategic Level as noted in the Directorate Risk Registers :
- ISSR005 – Affordable Housing:- Lack of affordable house development sites means dependence on Section 75 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 as well as maximising all funding streams to optimise the delivery of affordable housing across all tenures to meet housing need.

## **6 Scheme of Governance**

- 6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and are satisfied that the report complies with the **Scheme of Governance** and relevant legislation.
- 6.2 The Committee is able to consider this item in terms of Section B1.2 of the List of Committee Powers of the Scheme of Governance as the committee is being asked to comment on and make recommendations to the Communities Committee on a matter which impacts their Area. The SHIP will be submitted to Scottish Government in line with its required timescale of 25<sup>th</sup> October 2019 subject to Communities Committee comments and approval 7<sup>th</sup> November 2019.

**Stephen Archer**  
**Director of Infrastructure Services**

Report prepared by Elaine Reid, Team Leader – Affordable Housing  
Date 5 September 2019

### **List of Appendices**

- Appendix 1 – Strategic Housing Investment Plan
- Appendix 2 – Strategic Housing Invest Plan (Project Details)
- Appendix 3 – Equality Impact Assessment
- Appendix 4 – Town Centre First Impact Assessment

## APPENDIX 1



### Strategic Housing Investment Plan 2020 - 2025

#### 1. Introduction

- 1.1 The Strategic Housing Investment Plan (SHIP) sets out the strategic policy approach by Aberdeenshire Council and its partners to delivering affordable housing in accordance with the Local Housing Strategy.
- 1.2 In line with Scottish Government guidance issued August 2019, this SHIP 2020 - 2025 sets out the strategic investment priorities for affordable housing over the 5 year period to achieve the outcomes as set out in the Local Housing Strategy. It also informs Scottish Government housing investment decisions including the Strategic Local Programme Agreement and Affordable Housing Supply Programme.
- 1.3 Essentially this SHIP
  - Sets out investment priorities for affordable housing
  - Demonstrates how these will be delivered
  - Identifies the resources required to deliver these priorities
  - Enables the involvement of key partners
- 1.4 Aberdeenshire Council and Aberdeen City Council work closely together to support the Aberdeen City Region Deal agreed with the Scottish and UK Governments. Both Strategic Housing Investment Plans will be closely monitored jointly by both local authorities with the Scottish Government to maximise the potential investment into the North East of Scotland.
- 1.5 This SHIP will enable the delivery of high quality and energy efficient homes including specialist housing provision (and appropriate support) as well as assist in reducing fuel poverty and carbon emissions. It will also enable choice of tenure. Furthermore it will aid house building across the Aberdeenshire area by supporting and creating employment in the house building sector and assist with initiatives such as modern apprenticeships.

#### 2. Strategic Context

##### 2.1 Local Housing Strategy

The SHIP is informed by the Local Housing Strategy 2018 -2023 which set out Aberdeenshire Council's key strategic housing priorities and outcomes. The LHS was developed in partnership and public consultation before it was approved by Communities Committee 21 December 2017. The Local Housing Strategy contributes to the delivery of the Council Plan and the Aberdeenshire's Local Outcome Improvement Plan. The LHS is monitored

and reviewed annually to ensure that it responds to changing pressures and new opportunities. The three outcomes which relate directly to this SHIP are:-

- **Affordable Housing** - *People will have access to an increased supply of affordable housing.*
  - 1) Increase the supply of social rented housing by 225 units per year.
  - 2) Increase the supply of intermediate housing, including mid-market housing and affordable home ownership by 25 units per year.

This will primarily take the form of new build units. However where appropriate partners will also seek to maximise delivery through the acquisition of 'second hand' stock and also seek to bring empty properties back into use through the rehabilitation of existing stock where appropriate and financially viable.

The Housing Need and Demand Assessment 2017 and Aberdeenshire Council's waiting lists demonstrate housing need across all towns and villages within Aberdeenshire. Housing data, waiting lists, housing stock and relets for example, is analysed to highlight any settlements with increased pressure. These are highlighted in Table 1 below in accordance with the Housing Need and Demand Assessment 2017 subareas - Housing Market Areas - and are reflected in this SHIP's programme. As well as meeting housing need, it is acknowledged that housing development will also contribute to a range of strategic priorities in Aberdeenshire such as town centre regeneration, rural sustainment and strategic growth.

<b>Table 1 - Aberdeen Housing Market Area</b>	
<b>High Priority</b>	<b>Medium Priority</b>
Banchory	Balmedie
Blackburn	Kintore
Ellon	Newmachar
Inverurie	Oldmeldrum
Newtonhill	
Portlethen	
Stonehaven	
Westhill	
<b>Rural Housing Market Area</b>	
<b>High</b>	<b>Medium</b>
Fraserburgh	Aboyne
Peterhead	Alford
	Ballater
	Banff
	Cruden Bay
	Huntly
	Insch
	Inverbervie
	Kemnay
	Laurencekirk



	Macduff
	Mintlaw
	Turriff

There is pressure across properties of all sizes, with significant pressure on one-bedroom stock. In addition, the Housing Need and Demand Assessment states that according to the 2014 household projections, there will be a 42% rise in the number of single-person households over the next 25 years. These priorities both in terms of location and house size align with the Rapid Rehousing Transition Action Plan where there is a focus on delivering properties of an appropriate size and type in the right location that will address the demand from homeless applicants. Increasing the supply of affordable housing will assist in meeting the Rapid Rehousing Transition Plan's strategic aims of homeless prevention, identifying permanent settled solutions quickly, ensuring that stays in temporary accommodation are minimised and that appropriate support is provided to enable tenancies to be sustained and break the cycle of homelessness.

- **Independent Living** – *Enable people with an identified particular need to have access to appropriate affordable housing and support to allow them to sustain and improve their health to live as independently as possible.*

At least 15% of affordable new build development will be allocated to particular needs households.

In Aberdeenshire all new build properties are built to Housing for Varying needs standards to allow for flexibility and to accommodate the changing needs of individuals. Improvements including the *Particular Needs New Build procedure* and the *New Build specification* which includes *particular needs specifications* have been implemented to ensure clear communication and collaboration between all parties involved in the delivery and allocation of affordable housing to enable the delivery of bespoke properties where appropriate.

### **Wheelchair Accessible Targets**

Aberdeenshire Council are currently working on an improved process for the commissioning of Particular Needs housing which will support the Scottish Government recommendations to include Wheelchair accessible targets within the Local Housing Strategy (LHS). Working with partners in Aberdeenshire Health and Social Care partnership, Housing are to enhance the process which provides a clear identification of need, model of housing required and identification of funding for both capital and revenue costs. This enhanced process will provide clearer identification of the requirement for fully wheelchair accessible housing and this added to existing information and data sources will subsequently provide the required information to give an informed and realistic target for inclusion in the LHS. It is intended that the process will be in place to allow for inclusion of wheelchair accessible targets in the SHIP for 2021 and this will sit alongside the 15% target of all new build affordable housing to be suitable for particular needs households. As at September 2019 our waiting list

shows that there are 259 applicants on the waiting list who are wheelchair users. The target for wheelchair accessible housing within the market sector remains a challenge and discussions will be further pursued with colleagues from planning services to identify and consider the issues involved and work towards implementation of an appropriate target.

Supported accommodation for Learning Disability Clients has been included in the SHIP for the Ellon and Peterhead areas and discussions are taking place regarding the appropriate model of housing and specifications required. This follows on from ongoing discussions with Aberdeenshire Health and Social Care Partnership and aligns with the corresponding Locality Plans.

### **Adaptations**

Streamlining of the adaptations processes across housing tenures has provided an improved system for the delivery of adaptations. The introduction of new systems for both Local Authority and Private sector (Care & Repair) has provided improved databases and subsequently evidenced improved waiting times for major adaptations. The introduction of a Tasking & Co-ordinating Group (T&CG) where partners meet on a monthly basis to improve communication and problem solve has assisted in the reduction of waiting times for Care & Repair and it is intended to explore the possibility of the Group extending to include LA adaptations. Work has also begun with Registered Social Landlords to try and address inconsistencies in adaptations practices across the tenures of housing to improve processes that are currently causing delays in major adaptations. It is also intended to begin work across tenures on measuring the future need and demand for adaptations.

**Housing Solutions training** has been rolled out across Aberdeenshire which has been well received by staff and also provided further opportunities for networking. It is intended to extend the scope of the training to increase numbers of staff from the NHS sector.

### **Housing Support services**

Aberdeenshire continue to invest in the **Disabled Persons Housing Service - Houseability** supporting national and local strategy to improve services for disabled people. Houseability support and enable the process of equity for disabled people in the additional challenges they face in accessing appropriate housing by offering an independent and individual visiting service to clients to assess at first hand their current living situation and providing advocacy when requested. During 2018/19, 121 Clients accessed the service with 90 receiving a home visit and 18 Clients were visited in hospital to facilitate quicker hospital discharge.

- **Minority Ethnic Communities – *Minority Ethnic Communities, including Gypsy/Travellers, will have access to appropriate land, housing and support encouraging social integration.***

Provision of well-maintained permanent and stopover sites that meet the needs of the Gypsy/Traveller community.





























































































