

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Report Name	Aberdeen City Region Deal Progress Update
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Date of Report	08 November 2019
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
To update the Joint Committee on the progress in relation to the housing workstream of the City Region Deal.	

2:	Recommendations for Action
It is recommended that the Joint Committee: i. Notes the content of the report and the progress made.	

3:	Summary of Key Information
3.1 The Memorandum of Understanding for the additional investment for the Aberdeen City Region details £20m of Infrastructure Fund to unlock sites that are of strategic importance and provides 5-year certainty on £130m of affordable housing supply grant. The housing commitment that forms part of the package of additional Scottish Government investment alongside the City Region Deal equates to £130m over the 5-year period from 2016/17 – 2020/21.	
3.2 £20m Fund Jointly the local authorities have had discussions with the Scottish Government on potential approaches to utilising the £20m Infrastructure Fund. 5 sites have been identified with expressions of interest regarding the Housing Infrastructure Fund being submitted to the Scottish Government. The sites are:	

3:	Summary of Key Information
<ul style="list-style-type: none">• Braemar• Greenferns• Mintlaw• Summerhill• Wellheads (Dyce) <p>Two further projects which are to have expressions of interest submitted by December 2019 are Balmedie and Blackdog. Aberdeenshire Council and Castlehill Housing Association continue to carry out feasibility works regarding these sites. There is currently insufficient water network capacity and these sites, therefore, it is unlikely these projects will progress before March 2021.</p> <p>Scottish Government has confirmed they are seeking to bring forward projects that fit with the current HIF criteria. They are engaging with both local authorities and will work closely with each to see how specific projects can be delivered.</p> <p>3.3 Next Steps</p> <p>The HIF expressions of interest have been considered in more detail by Scottish Government. Scottish Government officials intend to meet with each local authority to discuss.</p> <p>Scottish Government has no remit to commit beyond March 2021 for HIF applications.</p> <p>Joint Committee will be provided an update in May 2020.</p>	

4:	Finance and Risk
<ol style="list-style-type: none">i. The value of the Infrastructure Fund allocated through the Memorandum of Understanding is £20m. To date, none of this has been successfully allocated to unlock development sites.ii. There is a reputational risk that the fund remains unused, and that the City Region is viewed as not accessing available funding to aid local housebuilding.iii. There is a political risk related to the Scottish Government's target of building 50,000 affordable homes by March 2021.	

4:	Finance and Risk
<p>iv. There is an economic risk that housebuilding fails to meet the levels required to support the growing economy in the City Region.</p> <p>Successful HIF applications would mitigate these risks.</p>	

