

REPORT TO SOCIAL WORK AND HOUSING COMMITTEE – 2 June 2016

AFFORDABLE HOUSING

1 Recommendations

Social Work and Housing Committee is recommended to:

- 1.1 Comment on progress regarding Phase 5 Council's New Build Housing programme and approve Phase 6 updated new development programme.**
- 1.2 Comment on progress regarding "Create Homes Aberdeenshire" – National Housing Trust Council Variant.**
- 1.3 Comment and approve the Development Programme for 2016/17 as detailed in Table 2.**

2 Affordable Housing – Progress during 2015/16

- 2.1 Partners across both the public and private sectors have continued to work together to deliver much need affordable homes across Aberdeenshire. During 2015/16, 249 new affordable homes were completed; 131 units were delivered for Social Rent (of which 44 were for particular needs clients) with Aberdeenshire Council delivering 59 units and our RSL partners delivering the other 72 units. A further 29 units were delivered for Mid-Market Rent; 24 units through Create Homes Aberdeenshire and 5 units through LARS Housing Trust. 84 Low Cost Home properties were also completed during 15/16 across 18 towns and villages. 5 properties were also bought from the open market and brought into Council's mainstream stock.

3 Council's New Build Programme

3.1 Phase 1 – Phase 4

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

3.2 Phase 5

Phase 5 of the Council's new build housing programme comprises 169 units from projects as approved at Social Work and Housing Committee, with details updated on 4 June 2015. Projects completed to date in Peterhead, Ballater, Westhill, Inverurie and Banff have delivered 115 units; opening ceremonies for both St James's Court and Bennachie View, Inverurie have taken place whilst other opening ceremonies are currently being organised for the remaining Phase 5 sites including those still to be completed and Members will be invited accordingly. The current status of ongoing projects covering the remaining 54 units are detailed below:

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 £1.639m. 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 went into administration leaving the development part completed. A re-tendering exercise was undertaken and a new contractor, Robertsons, appointed to complete construction works. Construction re-commenced in October 2015; the project is running behind the previously reported completion date of May 2016 which is now likely to be completed September 2016. When completed, this development will contribute significantly to the physical and social regeneration of Fraserburgh.

Martin Brae, Inverurie

This proposed development is for 24 units for rent across a range of property types and sizes. Following demolition works the main contractor for construction work entered administration. Subsequently a re-tendering exercise has taken place with Bancon Construction have now been appointed as main contractor. Work on site re-commenced in September 2015 with an anticipated completion in August 2016. Scottish Government funding of £1.104m has been secured for this development.

3.3 Phase 6

An initial programme for Phase 6 of the Council’s new build affordable housing developments was approved by Social Work and Housing committee 6th November 2014. The undernoted updated table outlines the settlements and unit numbers anticipated to be delivered. It is proposed that a further updates on progress of Phase 6 will be reported to Committee as they become available. Due to the nature of development two projects have been withdrawn from the development programme due to land ownership and technical flood risk issues. Additional developments have been identified and incorporated into the table below.

Proposed Phase 6 New Build Housing Programme

Location	Unit Numbers
Huntly	12
Peterhead 1	8
Peterhead 2	30
Turriff 1	10
Turriff 2	2
Oldmeldrum	26
Fraserburgh	6
Portlethen	1
TOTAL	95

4 Create Homes Aberdeenshire – National Housing Trust Council Variant

- 4.1 With a view to further addressing the high and evidenced requirement for affordable housing within Aberdeenshire and following the receipt of all necessary Committee approvals, a Limited Liability Partnership (LLP) was established with the Scottish Futures Trust, named 'Create Homes Aberdeenshire LLP' to deliver mid-market rent housing.
- 4.2 The first development, located in Westhill was completed January 2016 and this comprises 24 units ranging from 1 to 3 bedroom units. Further development are pending in Ellon (total of 15 units – 6 due for completion summer 2016 and a further 9 units in December 2016) and Stonehaven (12 units due for completion December 2017) with ongoing discussions for additional developments in other areas of Aberdeenshire.

5 Development Programme 2016/17

- 5.1 Aberdeenshire Council have secured the following Resource Planning Allocation funding from Scottish Government's Affordable Housing Supply Programme as detailed in Table 1 below. These monies are intended to assist the delivery of affordable homes as part of the implementation of the City Region Deal. The allocation of £130 million across both local authorities, Aberdeenshire Council and Aberdeen City Council, for affordable housing sits alongside the City Region Deal agreement over the 5 year period 2016/17 – 2020/21 for which delivery will be from the Strategic Housing Investment Plan.

Table 1	Resource Planning Allocation
Grant	Aberdeenshire Council (m)
2016/17	£17.167
2017/18	£15.55
2018/19	£15.55
2018/19	£15.55
2019/20	£15.55
2020/21	£15.55
TOTAL	£79.367

- 5.2 This allocation enables long-term planning whilst providing certainty of resource availability, albeit monies cannot be carried forward into future years. Officers have been working closely with partners across the public and private sectors and devised the following programme as detailed in Table 2 to optimise the grant allocation for 2016/2017.

TABLE 2 DEVELOPMENT PROGRAMME 2016/2017								
Area	Development	Developer	Tenure and Number			Scottish Government Grant Projected Spend 2016/17 £000	Combined Reserve Fund £000	Anticipated Completion Date
			Social Rent	Mid Market Rent	LCHO			
B	Peterhead, Caley Building	Langstane HA	15			0.538	0.108	Sep-17
F	Turriff Errol Court	Council	10			0.572	0.120	Jun-17
KM	Portlethen	Langstane HA	8	12		0.392	0.367	Mar-18
M	Huntly	Council	12			0.708	0.200	Nov-17
F	Blackdog, Hareburn Road	AHP		12		0.560	-	Jun-17
G	Inverurie, Uryside Phase 1	Grampian HA	14	17		1.914	0.065	Jun-17
BB	Fraserburgh, Cross Street/Mid Street - Ph.1	Grampian HA	34			0.140	0.350	Mar-18
G	Inverurie, Westgate	Castlehill HA	38			0.898	-	Dec-17
G	Inverurie, Westgate Phase 2	Castlehill HA	8			0.632	-	Nov-16
F	Turriff, Former Womens Aid	Council	2			0.118	-	Mar-17
KM	Portlethen, 3 Easter Place	Council	1			0.059	-	Mar-17
KM	Stonehaven, Ury	Sanctuary HA	51	12	6	1.800	0.640	Mar-18
KM	Marykirk	Sanctuary HA	9			0.300	0.095	Mar-18
BB	Portsoy	Sanctuary HA	30			0.500	-	Mar-18
BB	Fraserburgh, Cross Street/Mid Street - Ph.2	Grampian HA	14			0.000	-	Mar-19
B	Peterhead, Clerkhill, Phase 2	Council	30			0.750	-	Mar-18
F	Oldmeldrum	Council	26			0.500	-	Mar-18
F	Rothienorman	Council	14			0.200	-	Mar-18
G	Inverurie, Portstown	Castlehill HA	18			1.000	-	Mar-18
M	Lumphanan	Langstane HA	10			0.050	-	Mar-18
G	Kemnay	Grampian HA	16			0.280	0.145	Dec-17
BB	Fraserburgh, Castle Street	Council	6			0.100	-	Mar-18
B	Peterhead, Clerkhill, Phase 1	Council	8			0.100	-	Mar-18
G	Inverurie, Uryside Phase 4	Grampian HA	21			0.378	-	Mar-18
G	Inverurie, Blackhall Rd	Create Homes Aberdeenshire		15		No SG Grant	0.300	Dec-17

G	Westhill, Broadshade	AHP		20		SG spend 15/16	0.120	Jun-16
BB	Fraserburgh, Barrasgate	Council	30			SG spend 15/16	0.733	Jul-16 (Sept 16)
TOTAL			425	88	6	12.489	3.243	

5.3 The above programme is subject to developments coming forward timeously and obtaining the necessary approvals and consents where appropriate; recognising that a high proportion of current and future developments will be from S75 developments which often are complex and/or will require long lead in times. Meantime Officers continue to identify further opportunities to deliver affordable housing to secure optimal outcomes for the current and future years funding whilst minimising the risk of any potential under spend. Officers will prepare a new SHIP in line with Scottish Government's timescales and report back to committee for approval in due course.

6 Six Key Areas for Development Funding

6.1 All of the projects supported by the Six Key Areas for Development Funding of £1,857m have now completed, assisting with the delivery of 92 new affordable homes across Inch, Port Elphinstone, Peterhead, Strichen and Macduff.

7 Innovation Reserve Fund

7.1 The programme has been updated and is included in Table 2 as above for approval.

8 Consultations

8.1 The Head of Finance and Monitoring Officer have been consulted in the preparation of this report and approve the contents

9 Equalities, Staffing and Financial Implications

9.1 An EIA has been undertaken for affordable housing as part of the Strategic Housing Investment Plan process as approved by Committee on 6 November 2014 – Appendix 3. There are no other implications arising from this report.

9.2 The staffing requirements relating to this report will be met within existing resources.

9.3 New Build Programme Phase 5 Costs - the table below outlines the various projects and associated funding. The costs may have variances depending on any additional work required in each development. The table notes that new build development totals £25.306m of investment including £8.586m Scottish Government funding, £9.947m HRA and £1.5m Planning Gain.

Phase 5	No of units	Total Development Costs (£000)	Scottish Government Grant (£000)	Planning Gain (£000)	2nd Homes Council Tax (£000)	HRA (£000)	Other (£000)
Craigewan, Peterhead	42	5,264	1,932	190	1,000	2,146	(4)
Conglass, Inverurie	8	1,216	368	0	640	208	0
St. James Place, Inverurie	24	5,091	1,104	589	1,100	665	1,633
Carmelite Street, Banff	3	452	195	56	0	80	121
Broadshade, Westhill	30	4,208	1,380	50	0	2,778	0
Barrasgate, Fraserburgh	30	5,492	2,135	335	0	2,239	783
Sir Patrick Geddes Way, Ballater	8	1,443	368	140	0	935	0
Martin Brae, Inverurie	24	2,140	1,104	140	0	896	0
Total	169	25,306	8,586	1,500	2,740	9,947	2,533

Stephen Archer
Director of Infrastructure Services

Report prepared by:- Elaine Reid, Team Leader – Affordable Housing and Laumon Dougall, Affordable Housing Officer
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