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ABERDEEN
CITY COUNCIL

19 May 2017

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Dear Sue

It was good to meet you earlier this week, thanks to you, Maureen and Keith for taking the time to come to Aberdeen.

During our meeting, we discussed barriers to achieving the 50,000 homes target set by the Scottish Government. I advised that as both Head of Housing and Communities here at Aberdeen City Council and Chair of the Housing Workstream Group aligned to the City Region Deal, the major barrier I was aware of was the £20m Infrastructure fund attached to the £130m grant funding aligned to the City Region Deal for housebuilding.

I agreed to write to you to set out these concerns. Please find below an explanation of these concerns, which are representative of the views of members of the Housing Workstream Group – Local Authorities, Local Housebuilders and Local Registered Social Landlords.

Locally, public and private sector partners applaud the intentions of the Infrastructure Fund, and view it as a valuable contribution to increasing housebuilding rates. However, we are concerned that the potential limitations of the fund could mean its aims are unfulfilled. We feel it is important to understand, and where possible, remove these barriers to ensure the Scottish Government's expectations of the fund are delivered.

The main concern relating to the Infrastructure Fund is that the terms of the fund are not advantageous commercially, and that more cost effective borrowing is available from existing loan providers. We appreciate the Scottish Government has made this fund available with the desire that it is used, and feel that a more beneficial rate would increase the uptake of the fund.

BERNADETTE MARJORAM
INTERIM DIRECTOR



A separate concern about the fund relates to eligibility criteria, and the 'unknowns' surrounding it. For example, clarity is sought on whether planning consents have to be in place before funding can be accessed through the fund. We also discussed the definition of 'infrastructure' and whether this would extend to the installation of broadband during initial construction, and potentially to utilities as well. This reflects the desire to have all groundworks undertaken at the same time as road construction, to ensure that houses are technology enabled to meet future demand and predicted demographic and service changes relating to Health and Social Care, for example. It would be helpful therefore, if a definitive list of what cannot be considered through this fund could be provided. While the fund clearly does not support the provision of new community infrastructure, a definitive list of exceptions would be helpful for local discussions on developer obligations.

We would also welcome any clarification from you on how other City Region Deals in Scotland are operating with regard to the Infrastructure Fund, for example overall subscription, and value of funds remaining nationally. It is felt that more regular provision of this information would assist in the planning stages of development.

My colleague Eric Owens, Head of Planning and Sustainable Development, also discussed the 'One Public Estate' model and the desire to understand more coherently the extent of asset ownership in the region by public sector agencies. You advised that work was ongoing to assess this regionally, and we look forward to further discussion on that issue to ensure that where potential housebuilding sites can be assembled locally we can progress effectively. I believe the North East Property Group, chaired by my colleague John Quinn, Head of Land and Property Assets, has a wealth of information on this and I'm sure John would be happy to discuss further with you.

I also advised I would include you in future meetings of the Housing Workstream Group aligned to the City Region Deal, and will send invites in due course.

I trust this is of use to you, please do get in touch if you have any queries, and I look forward to meeting you and your team again.

Yours sincerely



Derek McGowan
Head of Communities & Housing