

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth & Resources Committee
DATE	18 September 2018
REPORT TITLE	Aberdeen City's Strategic Housing Investment Plan 2019/20 – 2023/2024
REPORT NUMBER	PLA/ 18/060
DIRECTOR	
CHIEF OFFICER	Gale Beattie
REPORT AUTHOR	Mel Booth
TERMS OF REFERENCE	Purpose 4 & 5

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval of the Strategic Housing Investment Plan (SHIP) for the period 2019/20 – 2023/24 which is due to be submitted to the Scottish Government by 26 October 2018.

2. RECOMMENDATIONS

That the Committee:

- 2.1 Approve the SHIP and its submission to the Scottish Government.

3. BACKGROUND

- 3.1 The core purpose of the SHIP is to set out strategic investment priorities for affordable housing over a 5-year period to achieve the outcomes set out in the Local Housing Strategy (LHS). The SHIP reinforces the local authority as the strategic housing authority and details how investment priorities will be delivered. The SHIP should:

- Set out the investment priorities for affordable housing
- Demonstrate how these will be delivered
- Identify the resources required to deliver these priorities
- Enable the involvement of key partners.

- 3.2 The SHIP is a realistic and practical plan that rolls forward projects identified in previous SHIPs and introduces new projects. It demonstrates how, when and where Aberdeen City Council and its partners intend to deliver new affordable homes across the city. It also illustrates how a variety of funding mechanisms are maximised to ensure the delivery of the projects.

- 3.3 In line with Scottish Government guidance issued in July 2017, all local authorities are required to submit their SHIP on an annual basis. The SHIP can be updated as and when required and Committee have received regular reports seeking agreement to add sites into the SHIP which reflects continuous discussions with RSLs and developers to identify opportunities for the delivery of affordable housing. After submission of the SHIP, new opportunities will be reported to Committee as and when they arise to ensure the maximisation of the delivery of affordable housing from all available resources.
- 3.4 Aberdeen City Council, with the involvement of its key partners via the SHIP Working Group has prepared this SHIP submission. The SHIP illustrates how the council and its RSL partners will seek to deliver the city's affordable housing investment needs and priorities identified in the Aberdeen City Local Housing Strategy 2018- 2023 over a rolling 5-year planning programme. The SHIP Working Group is the Council's key working group that is responsible for development of the SHIP and the ongoing review of new and current projects through collaboration with Scottish Government via quarterly meetings.
- 3.5 The SHIP has been drafted in accordance with the Resource Planning Assumptions as provided by the Scottish Government. Overall the SHIP currently shows the potential to deliver 2,037 units in the next 5 years from grant funded development by the Council and RSLs and a further 396 units from out with the main grant funded development programme.
- 3.6 There is more certainty about projects and delivery numbers for the initial three years with the final two years showing significantly lower numbers. This will change as new projects are developed and 'windfall' opportunities arise.
- 3.7 There are projects within the current SHIP with the potential to spend £47.21m Scottish Government Grant in 2019/2020. However, the Scottish Government grant expenditure is limited to the allocated grant of £18,133m but guidance suggests that a minimum slippage factor of 25% be applied on an annual basis for 2019/20 and 2020/21.
- 3.8 Council house new build programme

Aberdeen City Council has made a commitment to build 2,000 additional council homes for social rent. Funding has been identified through the allocation of Section 75 agreements and Council Tax funds to contribute to this with business cases being prepared for each site. The development at the Summerhill Education Centre has been approved by committee and is included in this SHIP. After submission of the SHIP, new opportunities will be reported to Committee as and when they arise to ensure the maximisation of the delivery of affordable housing from all available resources and to ensure the full council house new build programme is included within the SHIP.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report. Given the extent of the affordable housing projects seeking grant funding over the next five years, all Scottish Government grant will be utilised, and any potential underspends that may be identified will be allocated.
- 4.2 Any proposal for grant funding to a Registered Social Landlord (RSL) for such a project requires to be considered against the State Aid rules. Such grants come within the ambit of the Services of General Economic Interest block exemption which permits funding to Registered Social Landlords in the area of social housing, however the service consults with Legal Services on individual cases where necessary.
- 4.3 Through the Affordable Housing Supply Programme, the Scottish Government has confirmed the Resource Planning Assumptions for 2 of the 5 years of this SHIP. However, for planning purposes, Scottish Government has advised that local authorities should use their 2020/21 RPA as the basis of funding for the final three years of this SHIP period.

	RPA £ m
2019/20	18,133
2020/21	19,436
2021/22	19,436
2022/23	19,436
2023/24	19,436

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Failure to allocate fund through developer obligations may result in funds being paid back.	L	Ensure robust procedures are in place to monitor developer obligations.
Customer	Provision of affordable housing is a priority for residents of Aberdeen City Council. Failure to deliver may result in	H	Ensure the provision of affordable housing continues across the city.

	housing need and demand levels not being met. The delivery of affordable housing identified in the SHIP will significantly increase the supply of affordable housing in the city. In addition to providing new homes it will provide significant employment opportunities during the construction of the houses.		
Environment	Provision of new build affordable housing is built to current building regulations which has a reduced carbon footprint.	L	Ensure the provision of affordable housing continues across the city.
Reputational	The SHIP identifies significant opportunities for the delivery of affordable housing. The delivery of these sites require partnership working across the public and private sector. Failure to fully utilise funds may harm the council's reputation when affordable housing is much needed across the city.	L	The relationships are already well developed to deliver the positive outcomes. There is a low risk that some projects may not progress as quickly as envisaged. That said there are other opportunities which will ensure all grant is spent and the affordable housing delivered.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The affordable housing programme represents significant investment in the city which contributes to a prosperous economy. The SHIP identifies

	significant opportunities to provide affordable housing which will assist this theme in terms of direct employment in the house construction and related sectors.
Prosperous People	Provision of good quality affordable housing can make people more resilient and protect them from harm.
Prosperous Place	Provision of affordable housing contributes to the creation of sustainable and mixed communities. The Council aims to support improvement in the local economy to ensure a high quality of life for all people in Aberdeen. The affordable housing projects currently being delivered and detailed in the SHIP provide for a wide range of housing styles and locations across the city reusing existing property, using brown field sites as well as greenfield sites.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	The purpose of this report is to ensure customer outcomes are maintained and services continue to be developed. As such, the provision of affordable housing seeks to maintain the council's customer focus and prevent any reputational damage.
Organisational Design	The report reflects recognition of the process of organisational design. The development of services in relation to supply of housing will support the redesign of the organisation.
Governance	The SHIP working group will lead on the development, implementation, monitoring and evaluation of the affordable housing provision across the city which will be reported to committee on an annual basis.
Workforce	Whilst the report itself doesn't directly impact on workforce, the increased supply of affordable housing may be of benefit to some of the council employees.
Partnerships and Alliances	Partnerships and alliances have been developed through working groups which lead on the delivery, implementation, monitoring and evaluation of affordable housing provision across the city. These partnerships involve all relevant partners and stakeholders, both internal and external.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	EHRIA completed
Privacy Impact Assessment	Privacy Impact Assessment not required.
Duty of Due Regard / Fairer Scotland Duty	Not applicable.

9. BACKGROUND PAPERS

Previous committee reports in relation to this issue are detailed below:

CHI 1st November 2016

CHI 24th May 2017

10. APPENDICES (if applicable)

Appendix 1 – Strategic Housing Investment Plan 2019/20 – 2023/24

Appendix 2 – Strategic Housing Investment Plan 2019/20 – 2023/24 Tables

11. REPORT AUTHOR CONTACT DETAILS

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