

## **HRA BUDGET SPEECH - COUNCILLOR LAING**

### **INTRODUCTION:**

LORD PROVOST, IT'S WITH GREAT PRIDE THAT I MOVE THE HOUSING REVENUE ACCOUNT BUDGET ON BEHALF OF THE ADMINISTRATION.

AS A COUNCIL, OUR WORK IN HOUSING IS ONE OF THE MOST IMPORTANT ASPECTS OF THE SERVICE WE PROVIDE TO THE PEOPLE OF ABERDEEN AND THE BUDGET WE HAVE BEFORE US SUPPORTS THE CONTINUATION OF THE VITAL WORK THAT WE ARE DOING IN CREATING NEW HOMES AND IMPROVING THE EXISTING RESIDENTIAL ESTATE.

HOUSING, BOTH IN TERMS OF QUALITY AND QUANTITY, IS FUNDAMENTAL TO OUR VISION FOR ABERDEEN AND A PLACE WHERE EVERYONE CAN PROSPER.

WITH THAT IN MIND, WE ARE MOVING FORWARD WITH INCREDIBLY AMBITIOUS PLANS TO CREATE 2,000 NEW COUNCIL HOMES IN THE CITY AND I AM DELIGHTED WE ARE IN A POSITION TODAY TO TAKE THE DECISIONS THAT WILL ACCELERATE THE PACE OF THAT PROGRAMME.

SINCE THE LAST HRA BUDGET WAS APPROVED HERE IN THE CHAMBER, WE HAVE MARKED THE COMPLETION OF THE 13 MILLION POUND DEVELOPMENT AT SMITHFIELD - BRINGING 99 NEW HOMES ON A SITE WHICH COMBINES APARTMENTS WITH THREE AND FOUR-BEDROOM HOUSES THAT MEET THE VERY HIGHEST STANDARDS IN ACCESSIBILITY AND ENERGY EFFICIENCY.

IT IS WELL WORTH TAKING THE TIME TO VISIT SMITHFIELD, WHICH EPITOMISES ALL THAT IS GOOD ABOUT MODERN COUNCIL HOUSING – A WELCOMING ENVIRONMENT CREATED FROM A

SITE THAT HAD PREVIOUSLY BEEN SITTING UNUSED, ADDING TO THE REGENERATION OF ONE OF THE CITY'S KEY COMMUNITIES.

NEARBY AT MANOR WALK A FURTHER 13 MILLION POUNDS IS BEING INVESTED TO CREATE 80 NEW COUNCIL HOMES AND THE LATEST HANDOVER OF PROPERTIES FROM CONTRACTORS TOOK PLACE JUST WEEKS AGO, ALLOWING NEW FAMILIES TO ENJOY THE BENEFITS OF HIGH QUALITY AND CONTEMPORARY HOUSES THAT HAVE BEEN DESIGNED TO REFLECT THE EVOLVING NEEDS OF OUR TENANTS.

IN THE BUDGET I AM MOVING THIS AFTERNOON, THE NEXT WAVE OF COUNCIL HOUSE CONSTRUCTION IS BEING BROUGHT FORWARD.

IT INCLUDES APPROVING THE AWARD OF THE CONTRACT FOR THE DEVELOPMENT OF 369 HOMES AT SUMMERHILL – TENS OF MILLIONS OF

POUNDS OF INVESTMENT THAT WILL PROVIDE FRESH IMPETUS TO A WELL-ESTABLISHED COMMUNITY.

USING THE SAME MODEL, WE PROPOSE CREATING HUNDREDS MORE NEW HOMES ON SITES AT CRAIGHILL, KINCORTH AND TILLYDRONE – 389 UNITS IN TOTAL.

PROGRESS WILL ALSO BE MADE WITH PLANS FOR TWO AREAS OF LAND AT GREENFERNS, WITH 350 HOMES EARMARKED FOR ONE OF THOSE SITES ALONE.

A VERY IMPORTANT STEP FORWARD WAS ALSO TAKEN IN RECENT MONTHS WHEN WE CAME TOGETHER WITH PRIVATE DEVELOPERS AND LANDOWNERS TO LAY THE FOUNDATIONS FOR THE TYPE OF PARTNERSHIP WORKING THAT WILL SUPPORT THE ASPIRATIONS WE HAVE.

IT IS A NEW WAY OF WORKING AND THERE'S AN APPETITE TO MOVE FORWARD TOGETHER.

TODAY'S BUDGET OUTLINES FOUR PRIVATE SITES, WITH THE POTENTIAL FOR 680 HOMES, THAT HAVE EMERGED THROUGH THAT INNOVATIVE PROCESS AND THE FIRST OF THOSE IS READY TO GO TO CONTRACT AWARD - THE FIRST ENDEAVOUR LLP DEVELOPMENT AT DYCE WELLHEADS.

WE ARE ALSO ASKING FOR DISCUSSIONS IN RELATION TO THE SITE OF THE EXISTING ABERDEEN EXHIBITION AND CONFERENCE CENTRE AT BRIDGE OF DON TO BE TAKEN FORWARD AS PREPARATIONS FOR THE MOVE TO THE EVENT COMPLEX ABERDEEN ENTER THEIR FINAL PHASE.

IN RECENT WEEKS THERE WAS FURTHER PROGRESS WHEN AN UPDATED BUYBACK POLICY WAS APPROVED BY MEMBERS OF THE CITY GROWTH AND RESOURCES COMMITTEE – ADDING WEIGHT TO OUR PLANS TO PURCHASE FORMER COUNCIL HOMES AND RETURN THEM TO OUR RENTAL STOCK.

OF COURSE, A POLICY OF THAT NATURE IS TOOTHLESS WITHOUT THE FINANCE TO SUPPORT IT – AND TODAY I’M PROPOSING 15 MILLION POUNDS IS SET ASIDE TO FUND A COMPREHENSIVE BUYBACK PROGRAMME THAT WILL ADD HUNDREDS OF HOMES TO OUR STOCK.

THESE ARE ALL INDIVIDUAL COMPONENTS OF A JOINED-UP PLAN THAT IS GATHERING MOMENTUM WITH EVERY PASSING DAY. THE PROPOSED BUDGET IS ANOTHER KEY PART.

THESE ARE ALL BOLD, EXCITING AND IMPORTANT POSITIVE STEPS IN OUR DRIVE TO INCREASE SOCIAL HOUSING SUPPLY AND DEMONSTRATES THE COMMITMENT TO DELIVERING THE TARGET OF 2,000 NEW COUNCIL HOUSES – THE MOST RADICAL AND COMPREHENSIVE PROGRAMME OF ITS TYPE IN A GENERATION.

## **HOUSING AND THE LOIP**

I MAKE NO EXCUSES FOR REPEATING WHAT I HAVE OFTEN SAID IN RELATION TO OUR HOUSING PLANS - THESE AMBITIONS ARE ABOUT FAR MORE THAN BRICKS AND MORTAR.

FAR MORE IMPORTANTLY, THEY ARE ABOUT THE PEOPLE WHO LIVE IN THE HOMES WE CREATE AND THE PROPERTIES WE ALREADY HOLD.

OUR LOCAL OUTCOME IMPROVEMENT PLAN IS THE HUB FROM WHICH EVERY SPOKE OF THE COUNCIL'S OPERATIONS STEM AND IT MAJORS ON THE NEED TO INVEST IN BOTH PEOPLE AND PLACE.

THE PRIORITIES WE HAVE DEMONSTRATED IN HOUSING ARE CRUCIAL IN NURTURING PEOPLE AND PLACE, WITH THE BUILDINGS NURTURING THE PHYSICAL AND MENTAL WELLBEING OF RESIDENTS AND IN TURN BRINGING ECONOMIC BENEFITS.

OUR POLICIES, PARTICULARLY IN THE AREAS OF LOOKED AFTER CHILDREN AND ARMED FORCES PERSONNEL PAST AND PRESENT, DEMONSTRATE THE INCLUSIVE APPROACH THAT IS SO CRUCIAL TO THE FUTURE OF ABERDEEN.



WITH 22,000 COUNCIL HOMES IN THE CITY, OUR TENANTS ARE THE LIFEBLOOD OF WHAT IS AN INCREDIBLY VIBRANT COMMUNITY.

WE HAVE A GROWING TRACK RECORD IN PUTTING RESIDENTS FIRST AND ABERDEEN CITY COUNCIL'S APPROACH TO TENANT ENGAGEMENT HAS GAINED NATIONAL RECOGNITION, WITH A NUMBER OF AWARDS OVER A PERIOD OF YEARS UNDERLINING THE COLLABORATIVE APPROACH.

I MUST TAKE THE OPPORTUNITY TO THANK THE OFFICERS WHO WORK ACROSS OUR HOUSING SERVICES AND OF COURSE THOSE WHO HAVE DRIVEN THE TENANT PARTICIPATION PROGRAMME THAT HAS BEEN SO SUCCESSFUL – NOT TO MENTION THE TENANTS THEMSELVES WHO HAVE BEEN HONOURED ON THE NATIONAL STAGE IN RECOGNITION FOR THEIR OUTSTANDING CONTRIBUTION.

THE VIEWS OF OUR TENANTS ARE CRUCIAL IN SHAPING HOUSING PLANS, WITH A FOCUS ON IMPROVING THE LIVES OF INDIVIDUALS ACROSS THE CITY.

IN PUBLISHING OUR ANNUAL HOUSING PERFORMANCE REPORT IN OCTOBER THERE WERE KEY AREAS OF SUCCESS TO CELEBRATE, WITH ABERDEEN AHEAD OF THE NATIONAL AVERAGE IN A NUMBER OF INDICATORS INCLUDING FULFILLING REPAIR APPOINTMENTS, EMERGENCY REPAIR RESPONSE TIMES AND TENANT SATISFACTION.

WHAT WE WON'T DO IS REST ON OUR LAURELS AND IDENTIFYING OPPORTUNITIES FOR IMPROVEMENT IS JUST AS IMPORTANT AS STRIVING TO PROVIDE THE BEST POSSIBLE SERVICE TO OUR TENANTS.

THAT IMPROVEMENT REQUIRES INVESTMENT AND LAST YEAR MORE THAN 42 MILLION POUNDS WAS SPENT ON UPGRADES AND MORE THAN 27 MILLION POUNDS ON REPAIRS. THOSE IMPROVEMENTS INCLUDE HUNDREDS OF NEW KITCHENS AND BATHROOMS, MORE THAN THIRTEEN HUNDRED NEW HEATING SYSTEMS, HUNDREDS OF NEW EXTERNAL DOORS AND ALMOST THREE THOUSAND HARD-WIRED SMOKE DETECTORS AS WELL AS THE REWIRING OF AROUND 1,000 HOMES.

THESE ARE NOT SIMPLY AESTHETIC OR QUALITY OF LIFE PROJECTS, BUT MONEY WHICH IS BEING SPENT TO KEEP SAFETY AT THE TOP OF THE ABERDEEN CITY COUNCIL AGENDA.

THE HORRIFIC EVENTS WHICH UNFOLDED AT GRENFELL TOWER REMAIN FRESH IN THE MINDS OF EVERY LOCAL AUTHORITY IN BRITAIN AND WE WILL CONTINUE TO WORK TIRELESSLY TO

MAINTAIN ROLLING REVIEWS AND IMPROVEMENTS, TO BUILD ON THE ALREADY HIGH STANDARDS WE ADHERE TO.

THE EXPANSION OF THE DISTRICT HEATING NETWORK HAS ALSO GATHERED MOMENTUM IN THE PAST YEAR, HELPING TO COMBAT FUEL POVERTY FOR RESIDENTS AS PART OF THE WIDER ANTI-POVERTY STRATEGY.

### **INCOME AND EXPENDITURE:**

IT'S IMPORTANT TO NOTE THAT THE HRA BUDGET SITS SEPARATELY FROM THE REVENUE BUDGET WE DEBATED EARLIER IN THE CHAMBER.

THE FUNDS COME FROM THE REVENUE WE GENERATE THROUGH OUR HOUSING ACTIVITIES AND THAT MONEY IS REINVESTED FOR THE BENEFIT OF CURRENT AND FUTURE TENANTS.

WE HAVE TO BALANCE THAT NEED FOR INVESTMENT AGAINST THE BEST INTERESTS OF THOSE WE SERVE FROM A FINANCIAL PERSPECTIVE AND AFFORDABILITY IS ALWAYS THE MAIN FACTOR WHEN WE SET RENTS EACH YEAR.

IN PREVIOUS YEARS WE WERE ABLE TO FREEZE RENTS IN THE CITY BUT ACKNOWLEDGED THAT WAS NOT A POSITION THAT COULD BE MAINTAINED INDEFINITELY, AND SO WE HAVE COMMITTED TO MANAGEABLE INCREASES TO SUPPORT ONGOING INVESTMENT.

THIS YEAR'S BUDGET PROPOSES AN INCREASE OF 4.3%, WHICH IS IN LINE WITH OUR PREVIOUSLY AGREED RENTAL STRATEGY. THE INCREASE, EQUATES TO THE RPI AT JULY 2018 PLUS ONE PERCENT, IT IS ONE WE VIEW AS REASONABLE AND IT DOES TAKE INTO ACCOUNT THE PRESSURES WE APPRECIATE RESIDENTS OF THE

CITY ARE INCREASINGLY FEELING AS CENTRAL FUNDING FOR COUNCIL SERVICES IS REDUCED.

WHAT THAT INCOME AND THE MANAGEMENT OF THE HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME ALLOWS US TO DO IS TO CONTINUE TO INVEST IN HOUSING STOCK WITH THE CARE AND ATTENTION OUR TENANTS QUITE RIGHTLY EXPECT.

I HAVE OUTLINED OUR CAPITAL PLANS AROUND THE 2,000 NEW HOMES WE ARE CREATING, BUT THERE IS ALSO AN IMPORTANT REVENUE SPEND WITHIN THE HRA BUDGET.

THAT INVESTMENT IN 2019/20 WILL REVOLVE AROUND IMPROVEMENTS AND WE ARE PROPOSING A COMPREHENSIVE PROGRAMME OF WORKS. THIS WILL INCLUDE MORE THAN 5 MILLION POUNDS SPENT ON WINDOW

REPLACEMENTS; 4.5 MILLION ON RENEWING HEATING SYSTEMS AND 2.75 MILLION ON IMPROVING INSULATION.

MILLIONS MORE WILL BE INVESTED IN AREAS INCLUDING LIFT REPLACEMENTS, MODERNISING BATHROOMS AND KITCHENS, ELECTRICAL IMPROVEMENTS AND ENHANCED SAFETY MEASURES.

OUR PROGRAMME FOR 2019/20 TOTALS IN THE REGION OF 40 MILLION POUNDS AND THERE IS A ROLLING PLAN FOR THE NEXT FIVE YEARS IN WHICH MORE THAN 30 MILLION POUNDS PER ANNUM WILL BE USED TO ENHANCE OUR EXISTING HOUSING STOCK.

**SUMMARY:**

LIKE THE GENERAL FUND REVENUE BUDGET WE APPROVED EARLIER TODAY, THE HRA BUDGET IS ALIGNED WITH THE AIMS OF THE LOCAL OUTCOME IMPROVEMENT PLAN AND DRAWS CLEAR LINKS BETWEEN THE HOUSING WE PROVIDE, AND THE BENEFITS THIS BRINGS IN A RAFT OF DIFFERENT WAYS – FROM THE VERY YOUNGEST IN OUR COMMUNITIES TO THE SENIOR CITIZENS WE SERVE.

THIS IS A BUDGET WHICH REVOLVES AROUND CREATING AND MAINTAINING HOMES, RATHER THAN JUST BUILDINGS.

IT IS ABOUT THE PEOPLE WHO MAKE OUR COMMUNITIES AND IN TURN ABOUT THE COMMUNITIES THAT HELP ABERDEEN TO THRIVE.

WE ALL MUST SHARE THE AMBITIONS THAT ARE UNDERPINNED BY A HOUSING STRATEGY THAT IS OF HUGE SIGNIFICANCE TO ABERDEEN.



I COMMEND THIS BUDGET TO YOU AND LOOK FORWARD TO CONTINUING ON OUR JOURNEY TO ENSURE THIS IS A CITY WHERE EVERYONE CAN PROSPER.

**ENDS**