

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Public Protection
DATE	14 November 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Aberdeen City's Strategic Housing Investment Plan 2024/25 – 2028/29
REPORT NUMBER	COM/23/323
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	Mel Booth
TERMS OF REFERENCE	1.1.1

1. PURPOSE OF REPORT

- 1.1 To seek approval of the Strategic Housing Investment Plan (SHIP) for the period 2024/25 – 2028/29, which was conditionally submitted to the Scottish Government on 27 October 2023.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Approve the Strategic Housing Investment Plan for 2024/25 – 2028/29 as contained in Appendices 1 and 2; and
- 2.2 Instruct Chief Officer Strategic Place Planning to confirm to the Scottish Government that the Strategic Housing Investment Plan has been approved.

3. CURRENT SITUATION

- 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 All local authorities are required to submit their SHIP to the Scottish Government on an annual basis. The SHIP can be updated as and when required, and Committee has previously received reports seeking agreement to add sites into the SHIP, reflecting continuous discussions with Registered Social Landlords (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, which is now being reviewed. 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 shows the potential to deliver 2,814 homes over the next 5 years by the Council and its RSL partners.
- 3.6 There is more certainty about projects and delivery numbers for the initial three years, with the final two years showing 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 £161,525,000 Scottish Government grant over the lifetime of the SHIP. The Scottish Government grant expenditure is limited to the allocated grant, but guidance suggests that a minimum slippage factor of 25% be applied on an annual basis. Affordable Housing Supply Programme resource planning assumptions have been issued up to 2025/26 and are detailed at paragraph 4.2. The resource planning assumptions are significantly lower than the potential spend.

4. FINANCIAL IMPLICATIONS

- 4.1 The Scottish Government has published Fair Work First Guidance which applies to all organisations applying for and being awarded grants, contracts, and other funding. This guidance applies to all funding applications from 01 July 2023, and is being written into the terms of all future offers of grant funding from the Scottish Government. These new terms and conditions are also being reflected in offers of grant from agencies who rely on Scottish Government. In order to be eligible for future grants, contracts and other funding, organisations must be compliant with the Fair Work First Guidance. The Bute House

Agreement sets out the default position that all grant recipients awarded a public sector grant on or after 01 July 2023 will be required to pay at least the real Living Wage and provide appropriate channels for effective workers' voice as a minimum standard which also applies to apprentices. Currently apprentices are not being paid the real living wage in Aberdeen. Cosla is engaging with Scottish Government on this, and Scottish Government has agreed to develop a single 'exception' template for use by all grant recipients. Councils will only have to complete this once each financial year and if an exception is granted, this will be held centrally in Scottish Government and be valid for all grants in the financial year. Confirmation is being sought that this will be valid across all public bodies but unless this is resolved, there is a risk to the council house new build programme as part of this SHIP.

- 4.2 As can be seen from the table below, through the Affordable Housing Supply Programme, the Scottish Government has confirmed the Resource Planning Assumptions up to 2025/26. However, for planning purposes, the 2025/26 RPA has been used as the basis of funding for the final three years of this SHIP period.

Year	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Allocation (m)	£16.037	£16.302	£16.302	£16.302	£16.302	£81.245

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 All new affordable homes must meet the Energy Efficiency Standard for Social Housing (ESSH) which was introduced in 2014. As a result, homes in the social rented sector are now some of the most energy efficient in Scotland which has a positive impact on the environment; the delivery of new affordable housing contributes to this positive impact.
- 6.2 Bringing empty homes back into use has a positive impact on carbon reduction. Creating homes from empty properties saves substantial amounts of material compared to building new homes. It also minimises the amount of land used for development and avoids wasting embedded carbon. Where the home is retrofitted to improve energy performance, it can also help to drive down the cost of heating and reduce the operational carbon emitted. The SHIP provides an overview of the work undertaken in relation to empty homes.

7. RISK

- 7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Failure to deliver affordable housing.	L	The Council has an ambitious new build programme and RSL partners work with us to deliver affordable housing across the city through the SHIP.
Compliance	Provision of affordable housing ensures compliance with the council's duty to house households. Failure to deliver may result in there being insufficient housing to meet the demand.	M	Approval of the recommendations would prevent this from occurring
Operational	Provision of affordable housing is a priority for residents of Aberdeen City Council. Failure to deliver may result in 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.	M	Ensure the provision of affordable housing continues across the city via the Council and RSL partners through the SHIP.
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.
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	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

	sector. Failure to fully utilise funds may harm the council's reputation when affordable housing is much needed across the city.		are other opportunities which will ensure all grant is spent and the affordable housing delivered.
Environment / Climate	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 through the SHIP to deliver energy efficient homes.

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement Working in Partnership for Aberdeen	<p>The proposals within this report support the delivery of the following aspects of the policy statement: We will work with partners to improve the stock and variety of Council and social housing across the city, ensuring it meets the varying needs of our citizens and provides more choice for our older citizens.</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	<p>The proposal within this report supports the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026. The paper seeks approval for the allocation of funds which will help to deliver the LOIP Improvement Project Aim ‘to increase the number of people employed in growth sectors by 5% by 2021. The affordable housing programme represents significant investment in the city which contributes to a prosperous economy and relates to 1.1 of the LOIP.</p>
Prosperous People Stretch Outcomes	<p>The proposal within this report supports the delivery of Stretch Outcomes 11 - Healthy life expectancy (time lived in good health) is five years longer by 2026.</p> <p>The paper seeks approval for the allocation of funds which will help achieve the LOIP Improvement Project Aim “Supporting vulnerable and disadvantaged people, families, and groups.”</p>
Prosperous Place Stretch Outcomes	<p>The proposal within this report supports the delivery of LOIP Stretch Outcome 14 – Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate. The paper seeks approval for</p>

	the allocation of funds which will help to contribute to the delivery of new build housing which is energy efficient.
Regional and City Strategies	The proposals within this report support the City Region Deal, Aberdeen City Local Housing Strategy, and the Strategic Development Plan through the delivery of affordable housing.
UK and Scottish Legislative and Policy Programmes	The report sets detail in relation to affordable housing which fulfils the requirements placed upon the Council by the Housing (Scotland) Act 1987.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Stage 1 Assessment has been completed.
Data Protection Impact Assessment	Not required.

10. BACKGROUND PAPERS

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

- CGR [PLA/18/060](#) 18 September 2018
- CGR [PLA/19/317](#) 26 September 2019
- CGR [COM 20/182](#) 28 October 2020
- CGR [COM 21/245](#) 03 November 2021
- CGR [COM 22/198](#) 21 September 2022

11. APPENDICES

Appendix 1 – Strategic Housing Investment Plan 2024/25– 2028/29

Appendix 2 – Strategic Housing Investment Plan 2024/25– 2028/29 Tables

12. REPORT AUTHOR CONTACT DETAILS

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