



Planning Development Management Committee

Briefing Note by Chief Officer Strategic Place Planning

Committee Date: 20 June 2024

Site Address:	Site Of Former Cordyce School, Riverview Drive, Dyce, Aberdeen
Application Description:	Erection of 91no. homes including associated infrastructure, open space and landscaping
Application Ref:	221232/DPP

Background

In August of 2023 PDMC approved application (221232/DPP) for 91 homes at the former Cordyce School subject to a Section 75 legal agreement. Within the report it was noted that the delivery of affordable housing was to take the form of:

“A total of 22 affordable housing units are to be provided on-site with a monetary contribution agreed for the remainder. Affordable units would provide a mix of one-bed cottage flats, 3-bed terraced properties and 4-bed detached dwellings, with tenure being social-rented.”

As the drafting of the S75 Agreement for the site has progressed, following agreement by PDMC, changes outside the control of either the Council or the developer BDW North East Scotland Limited (Barratt) have meant that the availability of grant funding to deliver the affordable housing is at risk.

As members will be aware the delivery of Affordable Housing is influenced by funding provided from the Scottish Government to Register Social Landlord's (RSL's) and developers via the Councils Resource Planning Assumptions (RPA) award. The RPA is the mechanism by which the Council receives money for the delivery of Affordable Housing and awards that money on the basis of the Strategic Housing Investment Plan (SHIP). Table 1. below shows the breakdown of the RPA award for Aberdeen over the last number of years.

For 2023/24 it was initially expected that the award would be approximately £16.041m however this has been reduced to £12.133m, while this is still a very significant and welcome award, it does place pressure on the existing projects in the SHIP and clearly raises concerns as to what level of funding will be available in future years.

This has meant that Grampian Housing Association (GHA) that were signed up to deliver the affordable housing on this site have been unable to commit, and a question has arisen as to what the alternative options should be if GHA were not to receive grant funding and deliver the 22 social rented units as originally agreed and planned. The S75 requires to be agreed prior to the release of the planning permission.

The S75 Agreement template contains a preferred set of preferences for affordable housing delivery, with onsite social rented being the preference then Mid-Market Rent/Shared Ownership/LCHO following and in exceptional cases then off-site delivery or finally a commuted sum in lieu of the units.

It is worth noting however that Council Policy on Affordable Housing is clear that *“Developers should note that subsidy for the provision of affordable housing is not guaranteed. Where subsidy is not available, the policy requirement to deliver affordable housing remains.”* ([2023, APG: Affordable and Specialist Housing](#))

Current situation.

It should be noted that both the developer Barratt, and GHA are committed to the site and wish to see the affordable housing delivered on site. This is evident in the significant work undertaken with housing colleagues to develop a suitable mix of house types and sizes.

However in the absence of certainty in relation to funding being provided, and the challenges the construction sector are facing, Barratt have sought the following fall back position to secure the viability of the development should the RPA funding not be forthcoming.

1. *The first option is that Barratt deliver the 22 social rent units for GHA as intended, and allow 12-months from commencement of development to confirm S.Gov funding.*
2. *Where that is not forthcoming, Barratt would then switch to an off-site commuted payment for the affordable units. On the basis that they are currently over-providing affordable unit at Riverside Quarter for Places for People we would be permitted, in this instance to off-set those units against the commuted sum at Cordyce. At Riverside Quarter we are provided 30 additional affordable units comprising 14 no. MMR apartments and 16 no. Social Rent houses. The first 14 apartments have just been handed over with the remaining 16 houses currently under construction.*

Views of the committee.

Based on the work done to date by Barratt and GHA with council officers it is clear that there is a strong desire to see the affordable housing delivered on site. It should also be noted that on site delivery is also financially more advantages to Barratt. However it is also recognised that there is a great deal of uncertainty in relation to funding and a challenging market for developers to operate within. It is therefore the view of officers that in the context of these very specific conditions the proposal is not unreasonable and should be supported.

While the power to complete the S75 legal agreement, in line with the heads of terms included in the report is delegated to officers, as the proposed fall back clause seeks approval for offsite delivery using overprovision on another site, the views of the committee are therefore being sought.

Resource Planning Assumptions (RPA) – Including Additional Award and Completions.					
Year	RPA £m	Additional	Percentage Increase	Spend £m	Completions
2016/17	10.956	4.415	40	15.371	117
2017/18	12.279	2.361	19	14.640	368
2018/19	17.120	12.073	70	29.193	356
2019/20	19.436	13.101	67	32.537	401
2020/21	20.658	33.991	164	54.649	461
2021/22	20.658	9.090	44	29.748	692
2022/23	16.026	19.645	122	35.671	481
2023/24	16.041	0	0	16.041	770
2024/25	(16.041) 12.133				
Total	145.307			227.85	3646

Table 1.1