

ANGUS LOCAL HOUSING STRATEGY REVIEW 2007-2008



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1. Introduction

The Housing (Scotland) Act 2001 places a statutory duty on local authorities to produce and maintain a Local Housing Strategy for their area.

This document is the fourth and last annual review of the Local Housing Strategy of this five year cycle (2004-2009). It provides an overview of progress and looks at the impact made over the five years of the strategy on the Angus housing environment. It demonstrates our commitment, consistency and transparency regarding our approach on housing issues

This 2007-08 Review is different from previous reviews within the cycle in that no guidance was provided from the Scottish Government this year. The 2007-08 year was also a year of turbulence and this review will look at how this affected the key priorities of the Local Housing Strategy.

2. A New Context in the Housing Scene

The Local Housing Strategy reflects the changing role of the Council and especially of the Housing Division. Like all Local Authorities, Angus Council has seen its role changing and becoming more complex over the years. From a simple housing provider focused on its operational and management function for its own stock, it has assumed a more strategic role, a role highlighted by the Local Housing Strategy.

The Local Housing Strategy is a vehicle for communicating and making accessible our vision to internal and external partners as well as to the general public.

The Local Housing Strategy provides a mechanism for the Council to reflect and consider its position in the housing scene and widen its partnerships to include relevant key players. It also helps officers adapt and deal with cultural change and new way of working.

The 2007-2008 year has been a particularly challenging year with a great deal of uncertainty. The credit crunch has shaken all the core assumptions and forecasts we had regarding the housing market and has changed the behaviour of our partners (housing associations and private developers) in response to this market.

The 2007-2008 year was also noted by expectancy and waiting. We were waiting for the Scottish Government's new structure to be confirmed; waiting for the Local Housing Strategy Review Guidance 2007-2008, the Local Housing Strategy Guidance 2011, the new Housing Need and Demand Assessment Guidance, the 2006 (Scotland) Act Guidance and the SPP3.

However, during the last five years and despite the national economic and financial turbulences of the last year, from a housing perspective we have tried to get closer to the Angus Community Plan vision: ***“Angus will be a place where a first class quality of life for all can be enjoyed in vibrant towns and pleasant villages set in attractive and productive countryside. The area will be dynamic and outward looking contributing to the culture, environment and economy of Scotland”***.

We have therefore focused on aspects of housing that contribute towards mixed and sustainable communities comprising all age groups, all income groups and all cultural minorities.

3. Review of High Priority Areas for 2007-8

- In 2007-2008, we focused on 6 high priority areas:
 - Helping ageing households and disabled people to live independently in their own homes
 - Working with partners (the Scottish Government, Housing Associations and Private Developers) to respond to Angus people's housing needs and demand (affordable rented accommodations or low cost housing for sale for first time buyers) and to ensure that new developments include affordable housing that contributes to the social mix to make an area dynamic and vibrant.
 - Defining accurately our housing market areas in order to better assess housing need and demand.
 - Ensuring that the quality of housing in Angus reflects the vision so everyone can enjoy their life whether they live in towns, small settlements or rural and remote communities.
 - Alleviating and preventing homelessness by identifying and responding to the issues, assessing people at risk of homelessness and responding to their needs.
 - Responding to the needs of incoming groups such as migrant workers and making sure that they receive relevant advice and information so they know their rights in relation to landlords and employers

3.1. Helping ageing households and disabled people to live independently in their own homes

In 2007-08, the Private Sector Grant (£1.023m) was applied to 242 houses that needed adaptations either for elderly households over 60 or for younger applicants with disability. 76.8% of the grant application (186 applications) came from Care and Repair and 23.1% (56 applications) came directly through the Planning Division which deals with other age groups.

From 2004 to 2008, the Private Sector Grant has benefited in total 1,154 applicants, with an approximate total grant of £4.6m.

The demand for housing adaptations is increasing every year. According to Care and Repair, there were 13 people in the waiting list for this service in March 2004 and this increased to 56 in March 2006, to 130 in March 2007.

In 2007-08 Angus Council spent £548,000 providing both minor and major adaptations, to council housing stock to help tenants with physical disabilities to live independently, improving their quality of life.

The number of people over 60 is steadily increasing (27,637 in 2006 and 27,774 in 2007)¹ and represents a significant percentage of the total Angus population (25.2% in June 2007). Their special housing needs will have a serious impact on the design and type of housing that is required in the future and housing professionals such architects, local authorities,

¹ Those figures are from the general office for Scotland, 2007

housing associations as well as the government (when providing subsidies) have to take these needs into consideration. These housing partners have to start to re-invent new “approaches to housing for the second half life” when planning new developments. This attention towards housing for ageing society has also been highlighted by Scottish Government in its Firm Foundations proposals, suggesting that increased provision of adapted and ‘lifetime homes’ should be considered.

3.2. Working with partners to respond to Angus housing demand and ensuring that new developments include affordable housing

Understanding Angus people’s needs was the first step to take in order to meet local demand and to ensure that appropriate houses are built in the right place, for the right people, and at the right price to create the sense of place that shapes a neighbourhood community.

Therefore, in 2003 Angus Council commissioned a Local Housing Need Assessment (LHNA). NFO Social Research and DTZ Piedad Consulting undertook the project and concluded that there was a need for 618 affordable housing units in Angus (363 ownership and 255 social rented).

However, the housing market is far from being static and does not stand still. It is rather dynamic and interactive and can change rapidly in response to other factors such as the economic, financial, political and/or the social situations that it is intertwined with.

For this reason, the council undertook an in-house study in 2006-07. Whilst, the Angus housing market has been relatively stable in the past this study provided a different picture from that reported in 2003 and showed that the need for affordable housing not only increased, but the balance of the type of accommodation required was reversed. The study estimated a total need for 1,087 units are needed in Angus and more people are looking to rent (estimate of 942 units for rental) than to buy (estimate of 145 needs for Low Cost Home ownership).

Amongst the factors that have contributed to this change in needs towards rental properties, the most obvious are the increase in house prices (from £54,500 in November 2003 to £131,000 in December 2007), the low level of Angus household’s incomes (56% of Angus households have an income of £25k or less), and the increase in the cash deposit needed for mortgages (banks and building societies have stopped providing 100% mortgages and mortgage servicing costs have increased).

Since the Council stopped being the main provider for social housing, Housing Associations have become the key providers of affordable housing, supported by financial investment (AHIP) from the Scottish Government.

At national level in Scotland, the government made it clear in its Firm Foundations that 35,000 dwellings should be built every year by the middle of the next decade.

Housing Association Grant (HAG) is one of the principal mechanisms used to encourage the provision of affordable housing.

Despite the fact that Angus Council entirely understands that the government is looking for ways to ensure public expenditure provides value for money, there is concern, that any changes for the HAG as expressed in the consultative paper “better value from Housing Associations Grant” might have a negative impact on the realisation of the Angus housing strategy.

If Housing Associations are asked to increase their private borrowing to support housing this may not be straightforward. Banks may not be in a position to lend to RSL's in the future on reasonable terms given the financial crisis and worldwide credit crunch and even if loans can be obtained, they may well be at higher interest rates than we have been accustomed to.

In 2007-08, the Scottish Government provided £7.192 million of funding to Angus for affordable housing development. This Government Grant has assisted Housing Associations complete 118 houses for social rent and low cost homes for ownership: 73 in Arbroath, 21 in Brechin, 2 in Carnoustie and 22 in Forfar.

The total grant spent for affordable housing within the four year Local Housing Strategy cycle 2004-2008 was 25.093m and Housing Associations built 410 houses during this period.

In addition, the national SPP3 mechanism, (Scottish Planning Policy 3), together with section 75 and the Angus Local Affordable Housing Policy, have allowed the Council to ensure, through negotiation with private housing developers, that a proportion of social rented housing or low cost home ownership is provided in new development programmes. These policies allow the Council to require that new developments contain up to 45 per cent affordable housing which not only responds to meeting Angus housing demand, but also contributes to the social mix that provides a dynamic and vibrant environment.

From January 2004 to February 2007, private developers completed 25 low cost home ownership houses in their new programmes (9 in Forfar, 8 in Carnoustie and 8 in Montrose).

An analysis of sales of new built properties² produced in 2007 has shown that Angus is an attractive place not only for people from Angus but also for house purchasers from Dundee, Aberdeenshire and Aberdeen. From a total of 293 new build properties, 21% were sold to purchasers from Dundee and 10% to purchasers from Aberdeen and Aberdeenshire. Dundee purchasers might be attracted by the quality of life that Angus provides, including the countryside aspect and landscape, rather than the house prices themselves (in December 2007, median house prices in Dundee were £122,750 and £131,000 in Angus)³. For Aberdeen and Aberdeenshire purchasers however, house prices may have been a more important factor as in December 2007 median house prices in Aberdeenshire were much higher at £205,000⁴. Other contributory factors could be the good road infrastructure, with the A92 and the A90 facilitating connections across the region and making travel time to work reasonable. However more investigation of the profile of these purchasers is needed to better understand the housing market in Angus and the boundary areas with neighbouring local authorities.

The attractiveness of Angus to house buyers in the region has affected the local housing market and as a result 85% of new properties in 2007 exceeded the price that a typical local household could afford (85% of new houses were over £120,000, 46% were over £200,000 and 11% were over £300,000)⁵ while the affordable housing price level for typical household in Angus is only £103,600⁶. It is therefore important to strengthen our partnerships, not only with housing associations, but also with private developers and neighbouring local authorities.

² This analysis was produced by the Angus Research and Development Officer, Housing Division, 2007

³ Those figures are from MyhousePrice.com

⁴ idem

⁵ These figures are from an analysis realised by Angus Development and Research Officer, Housing Division, 2007

⁶ Figure from the Local Housing Assessment

Liaison meetings with Housing Associations were established in 2006 and in 2007 there were an additional three liaison meetings with the three main Housing Associations in Angus (Angus Housing Association, Hillcrest Association and Servite Association). These meetings are to allow us to develop and maintain a close partnership on affordable housing and to discuss priorities, needs and programmes, as well as pitfalls and concerns, relevant to housing in Angus. We are also gathering more information on RSL's in order to prepare a more accurate analysis of the Angus situation.

In January 2008, the first private developer's forum was held with an interactive debate around the Firm Foundations proposals, the Scottish Planning Policy 3 and the key affordable housing mechanisms such as the section 75 and Angus Affordable Housing Policy. Forty people attended and all agreed that a regular meeting of this kind would be very useful for everyone.

The preparation of the Dundee City Region Structure Plan has stimulated the four local authorities involved (Dundee, Angus, Perth & Kinross and Fife) to discuss common areas of interest and to share information. Two meetings have been organised with the Planning Division as well as the Housing Service attending.

As Aberdeen and Aberdeenshire are part of a different Structure Plan, similar meetings have not yet been held. However, it would still be beneficial for all parties to meet and exchange information.

The empty homes initiative, which targets private flats in town centres above shops empty for more than 6 months, had also contributed to addressing the affordable housing shortage in Angus: 60% of the flats were rented and 40% have been sold since the beginning of the scheme.

In 2007-2008, eight houses benefited from the empty homes grant (£150,000).

From its inception in 2005, forty eight flats have been brought back into use as a result of the grant provided: twenty one in 2005-2006, nineteen in 2006-2007 and eight in 2007-2008 (to July 2008). In 2007-8, the flats that have benefited from the private sector Grant were located in Kirriemuir (2), Arbroath (3), Brechin (1), Montrose (1) and Forfar (1).

3.3. Defining accurately our housing market areas in order to better assess housing need and demand

In previous years, the main focus was on assessing the housing needs of people from Angus. New guidance was published in August 2007 by the Department for Communities and Local Government, and in March 2008 by the Scottish Government, to give direction on the way local authorities assess housing need, with an increased emphasis on evaluating housing demand.

The Scottish definition of housing need and demand was made clear in the guidance: *"Housing need refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance. Housing demand is the quantity and type/quality of housing which households wish to buy or rent and are able to afford."*

The new guidance also highlighted that assessments should be undertaken on the basis of “functional housing markets” and in a joint process with the members of a housing market partnership.

The housing market areas were defined by the new guidance as “*geographical areas which are relatively self-contained in terms of housing demand, i.e. a large percentage of people moving house or setting in the area will have sought a dwelling only in that area*”.

Before undertaking a Strategic Housing Needs and Demand Assessment, a study on “identifying housing market areas” was the first step that Angus Council took to develop this approach. This study has been sent to all housing and planning partners and will define the housing market boundaries that the Local Housing Strategy should be based on.

The key findings of the research were⁷:

- 66% of property purchasers in Angus come from Angus therefore Angus as a whole can be regarded as a relatively self-contained Housing Market
- More than 60% of purchasers in the Arbroath HMA, Forfar, Kirriemuir and Glens HMA and the in the Brechin and Montrose HMA came from the HMA itself and all three are therefore close to being fully self-contained
- The South Angus HMA is the least self-contained with only 42% of purchasers coming from the area itself
- There is only limited movement between each of the HMAs within Angus
- Brechin and Montrose HMA is strongly influenced by purchasers from Aberdeen and Aberdeenshire, where 17% of all purchasers originated from
- The South Angus HMA is highly influenced by purchasers from Dundee with 36% of properties being sold to purchasers from Dundee
- Only 2.5% of purchasers come from Perth and Kinross and therefore have little impact on the Angus Housing Market
- 21% of all new-build properties and 26% of properties built between 2002 and 2006 were sold to purchasers from Dundee
- 10% of new-build properties were sold to purchasers from Aberdeen and Aberdeenshire
- Almost half of all new-build and recently constructed (2002-2006) properties are sold to purchasers from outside Angus

⁷ These findings are extracted from the research on “identifying Housing Market Areas”. 2008

3.4. Ensuring that the quality of housing in Angus reflects the vision so everyone can enjoy their life whether they live in towns, small settlements or more rural and remote communities

The Council has a certain number of schemes designed to enhance the quality of housing in different areas and sectors.

To achieve mixed communities the LHS recognises the need to assist all tenures in respect to meeting Scottish Housing Quality Standard, for example sign posting owner occupiers to renovation grants. Encourage owner occupiers to establish FUE duty or service charges to fund communal repairs.

Angus Council has an effective approach and good practice in managing its stock. Over 40% of properties are let within two weeks of a property becoming vacant. It has also, as the Local Housing Strategy Review 2006-07 highlighted, set a range of initiatives to tackle low demand. The most important initiative was involving tenants in management decisions through the community participation team to help stabilise the local community and the sustainability of housing. Additionally options appraisals have been carried out for Newmonthill, Forfar and Marywell, Kirriemuir with a view to redeveloping these sites.

Progress has been made since these initiatives were put in place. In March 2007, 868 units were identified as low demand stock representing 10.8% of council housing stock whereas in March 2008, only 470 units were considered as low demand representing 5.8% of council stock.

Another key initiative is the replacement of equipment and fittings such as boilers, heating systems, doors, windows and kitchens in all council houses in order to achieve the SHQS by 2015. The budget for this council house modernisation programme was £9.85 million in 2007-08.

In addition, advice and information on energy efficiency are provided to owner occupied and tenants in the private sector as well as to council tenants.

The main groups identified as being exposed to fuel poverty are elderly people, single parents and people with low incomes.

To cover the maternity leave of the council Fuel Poverty Officer, a service level agreement was signed in 2007-08 with SCARF to provide this service.

All areas, from the main towns to rural and more remote settlements are targeted by this initiative and advice is given on grants that may be available to help towards the costs of installing energy efficiency improvements.

People are made aware of the link between energy efficiency, cost of living, health, independent living (especially for elderly people) and the value of their property (energy efficient houses will be easier to let or sell, have increased asset values and lower management and maintenance costs). Awareness of these areas will help to get individuals involved in the long term. Angus Council also works with developers, builders and contractors to raise Angus buildings' standards and reduce fuel costs to households.

Angus Council is also working with its housing partners to ensure that houses for people with special needs (for wheelchairs and adaptations etc) are provided in sufficient number.

In 2007-2008, 20 houses for special needs were built by housing associations (7 wheelchair and 13 older people) whilst within this Local Housing Strategy, 95 were provided. However, there is still more effort required to respond to this group, in July 2008, 406 households in the Angus waiting list have been assessed as having special needs (care and support and medical waiting list).

There is also a concern from Housing Associations as well as from Private Developers on the costs attached to developing housing that meets higher environmental standards.

The other initiative is the Private Sector Landlord Registration Scheme. This scheme started in July 2006. Private landlords are required under the Anti-Social behaviour (Scotland) Act 2004 to register themselves and their properties with the local authority of the area in which they rent property. The fees are £55 per person and an additional £11 per property. Every 3 years private landlords must re-register and are monitored to ensure that they still comply with the private sector standards.

Although no information on the standard of the property is required when private landlords apply for the scheme, the obligation to register could put indirect pressure on the worst landlords that do not maintain their properties. In addition, tenants and neighbours can also report bad behaviour and lack of maintenance by their landlords.

In 2007-2008, 2,252 landlords applied for registration involving 4,050 properties. In 2006-07 the number was lower with 1,688 landlords and 3,342 properties registered.

1,810 landlords and 3,501 properties have been approved. This shows good progress from last year, where only 250 landlords and 364 properties were approved.

Of the 6,000 private rented properties in Angus⁸, registration applications have been received for 4,050 (67%). There are still 1950 (32.5%) properties to be registered but the jump in registrations in 2007-2008 has shown that the scheme is more widely known and every thing is in place to get closer to the target of 100%.

The success of the two private landlord's forums held in October 2007 and April 2008 and the attendance at each of 120 people and 82 people respectively, demonstrated the interest and the willingness of private landlords to contribute to the improvement of the private sector.

An accreditation scheme is the next step recommended by the Angus Local Housing Strategy towards improving standards in the private sector. Such a scheme would be consistent with the improvement of the private sector as outlined in the Housing (Scotland) Act 2006.

⁸ Private Rented sector Study. 2006

3.5. Alleviating and preventing homelessness by identifying and assessing people at risk of homelessness and responding strategically to their needs

To get closer to the Scottish Executive's objective of the abolition of homelessness by 2012, Angus Council is writing a new homelessness strategy to be included in the Local Housing Strategy in 2011. Most importantly the Council has established an assessment tool to identify and prevent people from becoming homeless in the first place. Seven assessment officers are based locally in three areas: Arbroath/Carnoustie/Monifieth, Forfar/ Kirriemuir and Montrose/Brechin.

The number of referrals is increasing slightly every year with 2,040 in 2005-06, 2,464 in 2006-07 and 2,734 in 2007-08. However, the number of homeless applications has decreased since 2004, with 1,405 in 2005-06, 1,226 in 2006-07 and 1,326 in 2007-08. The increase in homeless referrals is consistent with the national picture and the extended provision of temporary accommodation to all homeless people. Angus Council have implemented the Abolition of Priority Need as an interim objective to ensure progress toward the implementation of the Housing (Scotland) Act 2003 and the 2012 target. In order to prevent homelessness occurring and ensure sustainable resettlement Angus Council implemented a range of measures including single shared assessment and a new Integrated assessment policy for housing and housing support, this has helped to target support to vulnerable people at risk of homelessness.

3.6. Responding to the needs of new incoming groups such as migrant workers and ensuring they receive relevant advice and information to protect them from unscrupulous landlords and employers

Despite the difficulty in estimating accurately the size of this new group, there is no doubt that European & International workers have had a large impact on Angus and have changed the demographic profile by reversing the previously forecasted decline in the Angus population which actually grew from 108,400⁹ in 2001 to 109,870¹⁰ in 2008.

Angus Council and the Housing Division have been proactive in the face of this new situation. A certain number of actions have been taken such as making funding available for the recruitment of a European & International Development Officer who has been in post since July 2007. Housing surveys were performed in various work places and analysed to help identify the conditions and needs of these communities.

In September 2007, the total number of European & International Workers in Angus was estimated at approximately 2,515¹¹, including seasonal workers.

The surveys have confirmed some earlier assumptions and have informed some less obvious conclusions. Most migrant workers are from Poland, 71.6% of those surveyed (254 people). The other large groups are from Latvia and Czech Republic. Sixty two percent of those questioned said they planned to stay permanently in Angus.

⁹ Figures are from the 2001 Census

¹⁰ Figures are from the General Register Office for Scotland. The population has slightly declined from 2006 (109,930)

¹¹ these figures come from employers and farms in Angus

More families are coming to Angus as opposed to single people (44% of those surveyed live with their families in Angus). In addition, Angus maternity units have recorded 18 births from Polish mothers and schools in Angus have welcomed 47 pupils from Eastern Europe (88.8% of these were Polish).

Statistics from the Workers Registration Scheme also showed that the percentage of workers from Eastern Europe coming to Angus who are women has also increased; from 36.7% in 2004 to 47% in 2006.

Regarding housing issues, Migrant Workers are not solely accommodated in caravan sites - in September 2007, only 160 of them were housed this way. In order to improve housing conditions in this sector Angus Council in 2008 introduced physical and accommodation standards through the licensing of HMO and caravan sites.

The private rented sector also plays a key role in housing this group (55% of those surveyed were renting privately). Council housing is also becoming popular amongst Migrant Workers. Thirteen percent of interviewees were housed in this way and 42% had applied for council housing. Only 26% had applied for housing associations.

Whilst there are some concerns about the potential for overcrowded conditions in the Private Rented Sector, the survey provided some interesting information. Overcrowding is not always the responsibility of the landlord but can be caused by tenants themselves who want to reduce their housing costs and expenditure by subletting or sharing their accommodation with others. Landlords are not always aware of this happening in their properties.

When trying to respond to this group's needs, we have to bear in mind that having a better life and/or saving money are the two main reasons that attract Migrant Workers to Angus. The other reason is that Scotland, and especially Angus, are well known overseas as one of the safer areas in the world. This reputation has been tarnished somewhat with some incidents that have occurred involving migrant workers.

To ensure that Migrants Workers are aware of their rights and duties, as well as Angus procedures and policies, advice and information are provided to them in a variety of ways (booklets, face to face meeting, on the phone, etc) and often in their own language. The partnership with the Citizens Advice Bureau also has to be strengthened in order to help Migrant Workers get the right information on how to manage their budget and ways to save money.

This is an area where partners work well together, from the Police, Fire and Rescue, Working with Families, to the Voluntary Sector and various Departments of the Council (Housing, Environmental Health, Social Work and so on). The Angus Booklet initiative has been the first unifying element and every year a review of this booklet adds new inputs. Social events and workshops are also organised every year and used as part of the inclusion process in the Angus community. Advice sessions regarding housing issues as well as other issues are provided weekly to Migrant Workers.

4. Responding to the uncertain economic and financial environment

It is still too soon to estimate and forecast the impact of the credit crunch on the Angus housing market. No concise facts or accurate statistics are available at this stage. However at the Scottish level, professionals such as the Council of Mortgage Lenders have reported

that the credit crunch has had less impact on the Scottish Housing Market than it has on the English one. Two factors contribute to this: firstly, house prices are considered more affordable in Scotland in comparison to other parts of UK, and secondly, borrowers in Scotland ask for lower loan percentages than elsewhere. Despite the fact that the local situation is considered less pessimistic than elsewhere, there are real concerns and worries being expressed by housing associations and private developers. In addition, the practical impact of the credit crisis, which affects all buyers including the ones in Angus irrespective of house prices, is that mortgages that have become harder to find and are more expensive.

According to Angus Council and housing association waiting lists, most peoples' housing aspirations (even those with no secure tenancy or who are homeless and for whom it is an unrealistic goal) are to buy their own houses.

- 1,595 households (30.5%) in the Angus Council waiting list of 5,221 have expressed a desire for the Low Cost Home Ownership Scheme¹².

There is no evidence that these applicants can afford to buy, especially when 133 of them were registered as homeless, however, this figures give an idea that the culture of buying in the long term rather than renting is still in people's mind.

The credit crunch has an impact on at least four areas:

One of the results of the credit crunch is the slow down in the housing market with some evidence of falling house price. In Angus, average house prices fell from £140,000 in November 2007 to £124,990 in May 2008¹³ and have continued to fall since then. As a consequence, private developers are building fewer houses and reducing their staff numbers. This situation is likely to have a big impact on affordable housing and on housing supply as a whole.

Secondly, in this economic and financial climate, banks and building societies are also facing challenges and are either restricting their lending or offering less generous rates for Housing Associations. In addition, the Scottish Government has tightened the annual funding that supports housing associations in affordable housing developments. The Scottish Government Grant for 2008-2009 is £3.89m. These factors do not encourage housing associations to continue to build the level of affordable housing required to deliver what Angus people need.

Thirdly, the reduced number of favourable mortgage products, including the withdrawal of 100% mortgage, continues to undermine the housing market. First time buyers now find it difficult to buy a property: not just because of the price of the house, but because of the level cash deposit required and the limited range of mortgages they can access. How will private developers deal with this issue? Will they continue to speculate, freezing their assets until better days, or will they sell them to housing associations or to other groups?

Private Developers may have to sell their land or/and properties at an affordable price to housing associations to reduce their exposure in this difficult financial climate. For those

¹² These figures are not reliable 100%, (e.g. 133 of 344 people registered as homeless have applied for this scheme. However they give an idea of the level of interest for this product.

¹³ www.myhouseprice.com

people who can secure a mortgage and have liquid assets for deposits, this is a buyers market.

Will the council continue to put pressure on Private Developers to provide affordable housing by using the planning regulations, such as section 75 agreements, or should the Council be more flexible to allow Private Developers to deal with these difficult market conditions. A flexible approach might meet much of the overall demand for housing and allow developers more opportunity to deal with their problems, but would not supply the level of affordable housing that Angus people need. That will be a major dilemma for future years.

The credit crunch has posed many new questions and few answers have been found, but the most significant question remains whether this is just a temporary crisis or is this a transitional period to a new era where the financial norms we are used to no longer apply, an era for which we have to be prepared for?

If the financial norms change, this could change the culture of ownership, and people, especially young households, may prefer the renting option rather than ownership in the early part of their life.

Angus Citizens Advice Bureau has reported that housing debt has increased by 17% in 2007-2008 compared to 2006-2007 in the three main areas (Arbroath, Forfar and Montrose). Although there is no evidence of households facing difficulties with mortgage repayments or repossessions so far, the Council is monitoring this area and any implications for housing policy.

5. Implementation of the Action Plan

The action plan is a document which outlines the objectives and actions required to achieve the goals and priorities set under the 2004-2009 LHS. Since 2006, with the help of the Excelsis system, we have tried to make the action plan more comprehensive by eliminating actions which are no longer a priority and by merging actions which have the same purpose.

The LHS is a very complex tool with many diverse yet interrelated components: different actions, several different areas, a variety of skills, many partnerships, various sources of funding, and disparate interests. Yet all of these components have to link together with shared objectives and make sense. The LHS also has multiple dimensions, but all the dimensions support each other. Despite this complexity, we try to ensure that our LHS Action Plan Review is as clear as possible and that all practical and operational aspects of its implementation make sense to everyone.

Achievements

Overall, we made significant progress over this last review period of the 5 year Local Housing Strategy.

Progress was made in 97 actions (98.9%) of the 98 original actions. Most of the actions were completed or deleted because they were either no longer considered a priority or were combined with others.

6. Partnership

The Local Housing Strategy and its programmes cannot be delivered in isolation. It requires the involvement of a wide range of partners and stakeholders. Amongst the most important partners are: other Departments in Angus Council (Social Work & Health, Community Safety and Planning & Transport Division), Housing Associations, Community Planning Partnership, Care and Repair and the Voluntary Sector.

The LHS commits us to working with partners and communities across the full range of our programmes. This involves holding regular liaison meetings with partners, organising forums for professional partners and community representatives, organising events and information sessions with, and for, our communities.

The overall objective of the partnership is to encourage and support representatives of the public, private, voluntary and community sectors to act together to develop and implement the Local Housing Strategy.

In addition to newsletters, website and making documents directly available to the general public, we are also exploring ways of further involvement of communities in the LHS.

A broad range of partners are needed to implement the Local Housing Strategy and it is important for the success of the implementation to have strong and effective partnerships, especially with those whose role is essential. We have listed below the current partners and indicated the strength of the current relationship.

LHS Partnership	Relationship 2005-2006	Relationship 2006-2007	Relationship 2007-2008
Area Managers	Medium	Medium	Medium ++
Builders and Private Developers	Weak	Improved	Medium+++
Community Planning	Weak	Medium	Medium
Community Rural Development	Weak	Improved	Medium
Community Safety	Medium	Medium +++	Medium+++
Housing and Regeneration Directorate (HARD)	Strong	Strong	Strong
Community Councils (26)	Very weak	Developed	Weak
Education	Weak	Improved	Medium
Economic Development	Weak	Improved	Medium

LHS Partnership (cont.)	Relationship 2005-2006	Relationship 2006-2007	Relationship 2007-2008
External Consultants	Medium	Weak	Weak
Health Service	Medium	Improved	Medium
Housing Associations	Strong	Strong	Strong
Housing Division	Medium	Strong	Strong
Leisure Division	Weak	Weak	Weak
Other Local Authorities	Weak	improved	Medium
Planning & Transport service	Strong	Strong	Strong
Property Developers	Medium	Medium++	Medium+++
Private Companies	Non-existent	Developed	Improved
Private Landlords	Medium	Improved	Medium
Tenants Associations (9)	Medium	Improved	Strong
Social Work and Health	Strong	Strong	Strong
Care & repair	Medium	Medium++	Medium++

Private sector Forums have strengthened the relationship with private developers and private landlords and the implementation of Liaison Groups with Housing Associations has made our relationship with these partners closer.

The recruitment of a European and International officer has facilitated the contact – started last year - with other partners such as farmers and local employers.

7. Communication

The Housing Forum is an opportunity to meet internal and external stakeholders, to discuss issues related to the Local Housing Strategy and to establish links between local housing concerns in Angus and the national and regional picture.

In 2007-2008, a forum where Private Developers were invited took place on Friday 11th January 2008. The keys issues debated in this forum were:

- Firm Foundations, examine the proposals and their impact in an Angus context
- Housing Needs and their delivery and how private developers can contribute

This was a successful meeting. Twenty people attended and private developers expressed their interest in continuing this sort of exchange and debate.

Two forums with Private Landlords were also held: one in October 2007 and another in April 2008. 120 people attended the first one and 82 attended the second. The discussion was around:

- The new repair standards; Housing (Scotland) Act 2006
- The tenancy deposit

8. Links with Other Strategies and Plans

LHS objectives are fully consistent and aligned with the corresponding plans of Angus Council Community Planning, Corporate Planning and related partner's. The LHS complements, and is consistent, with other Plans and Strategies such as:

the Community Plan; the Corporate Plan; the Community Regeneration Statement and Outcome Agreements; the Supporting People Plan; The Homelessness Strategy; the Tenant Participation Strategy; the Scottish Housing Quality Standard Delivery Plan; the Anti-social Behaviour Strategy; the Fuel Poverty Strategy; the Race Equality Scheme; and the Local Plan.

LHS officers are involved in the development and the implementation of other strategies and plans since officers who are responsible for other strategies (such as the Rural Strategy or the Anti-Social Behaviour Strategy) are involved in the discussions and meetings that set priorities. All officers are aware of how their strategies are linked and can complement each other.

9. Monitoring

The purpose of monitoring is to measure progress in relation to the objectives and to ensure adherence to the Strategy.

The implementation and monitoring of the Strategy is overseen by a multi-agency Reference Group with representation from key departments within the Council, Communities, Housing Associations and this Reference Group sits under the umbrella of the Angus Community Plan.

The LHS Reference Group monitors the Strategy on an ongoing basis. This group is chaired by the Housing Division.

The Policy and Planning Officer (PPO) monitors the implementation activities to ensure they are consistent with the priorities set in the previous LHS review and with national priorities. The PPO also ensures the appropriate links are in place with Angus Community Planning and other Strategies, Plans and Schemes.

10 Challenges for 2008-2009

10.1 Implementation of the Housing (Scotland) Act 2006

Whilst home owners and landlords must take their responsibilities in maintaining and repairing their assets (properties) to the standards required by this act, Angus Council works with the relevant partners to assist them with information, advice, administrative and financial support.

In addition to existing partners such as Care and Repair, Planning and Transport Division, Social Work and the Health Department, the implementation of the 2006 Act seeks the involvement of the Citizen Advice Bureau (CAB), Environmental Health, the Council of Mortgage Lenders, reliable local traders, building contractors and banks etc

The 2006 Act also gave Local Authorities new powers designed to ensure that private sector homes are brought up to, or maintained in good condition. Local Authorities will also be able to serve a maintenance order on the owner of the house if it has not been, or is unlikely to be, maintained to a reasonable standard. If an owner fails to implement such an order, Local Authorities can undertake the required work and recover the costs from the owner.

Identifying and defining potential Housing Renewals Areas could be one approach to focus resources (financial and human) on specific areas of need, the other approach could be to provide a broad service to all private properties and a combination of the two approaches is also feasible.

Moreover, Angus Council recognises the important role the private sector plays in the housing market in Angus and it is an important part of housing strategy.

In addition to the research that has already been undertaken in previous years, such as the empty homes and the private rented sector studies in 2005 and 2006 respectively, there is a need for more updated information on this sector particularly on owner-occupiers, the conditions of their properties and the repairs needed. Such information would help us take the right approach and implement the private housing sector Act 2006 in the way that fits with the Angus situation.

Funding and resources could be targeted to implement the private sector elements of the Housing (Scot) Act 2006. In 2008-2009, £100,000 of the Private Sector Housing Grant (PSHG) allocated for this year, will be used to “fund a new team required to gear up for and deliver the Council’s statutory responsibilities from the 2006 Act”.¹⁴ However, if we want to take a more strategic approach towards this sector, and tackle at the same time the empty homes and the private rented sector issues, more resources should be made available.

Research on the private rented sector concluded that £22.82m is required to repair private rented dwellings to the tolerable standard and 80% of this cost will be for the repair of pre-1919 housing stock. The Empty Homes study revealed that the total estimated cost to bring these properties back into use would be £8,630,000.

¹⁴ Report NO 497/08 Neighbourhood Services Committee – 29 May – Private Sector Housing Grant

10.2 Accreditation Scheme

The private rented sector housing is one of the key players in providing accommodation to many households in Angus of all ages and from all communities. It is a contributor partner for responding to affordable housing needs. It is the tenure of first choice for a certain number of young households, it is the best housing solution for many migrant workers who are mobile and/or seasonal without any long term housing plans and it could also be also a key resource for accommodating homeless people.

Working towards the enhancement of the quality of the private sector has been an integral part of the Local Housing Strategy; developing partnerships with private landlords, giving advice and information on energy efficiency, tackling fuel poverty and the empty homes initiative were key activities of the Council in this area. However, there is still a lot to do in this sector in order to achieve the standards and quality that Angus people deserve.

An accreditation scheme is a means for the Council to increase the level of partnership with the private rented sector to ensure that its objectives can be achieved.

Voluntary accreditation is a concept offered to private landlords to promote themselves as responsible property managers. It is a means of recognising good properties and landlords. It is proof that the landlord follows good practice and the scheme distinguishes publicly, and in a positive way, those landlords who are accredited from those who are not. It informs tenants of the high management standards of landlords accredited and also helps them access better standards of accommodation.

It is advised that an accreditation scheme be separated from the landlord registration scheme and the HMO licensing scheme. The strategic role that Housing Division has to assume since the production of the Local housing Strategy makes it the most relevant and appropriate leader for accreditation. This scheme will enhance the partnership with private landlords and assist their role as a key player for the improvement of the quality of housing in Angus. However, the success of the scheme will require the partnership and contribution of other services such as the private sector registration team, HMO licensing service, Assessment Team, Social Work and Health, Environmental Health Service, etc.

10.3 Empty Homes in the Private Sector Housing

This issue has always been considered as a priority for the Local Housing Strategy. An empty homes study was undertaken in 2005 and revealed that:

- 0.6% of private sector housing stock is unoccupied.
- From a total of 316 empty homes, 103 are in urban areas and 213 are in rural areas.
- The estimated average cost of repairs needed to bring empty homes back into use in Angus urban areas is around £20,000 and in rural areas is around £30,000.
- The overall average of both areas is £27,310 and the total estimated cost for both areas would be £8,630,000 (£2,050,000 for urban areas and £6,580,000 for rural areas).

The Empty Homes Initiative, which provides £150,000 of funding every year to help bring properties back into use, may have contributed to the reduction in the number of empty properties in urban areas since 2005.

Bringing empty homes in the private housing sector back into use will remain a priority for the coming years and for the new Local Housing Strategy 2011.

The Housing (Scotland) Act 2006 and its implementation will play a key role in the future LHS.

12. Planning the Future: LHS 2011 - Key Priorities

Local Authorities aims to submit a new Local Housing Strategy by 2011. The LHS 2011 will be the strategic document that links a range of strategies and plans across the Council, from the Community Plan to the Strategic Development Plan. It will set out our housing priorities and targets to meet housing need and demand from 2011.

The LHS 2011 will be consistent with Angus Councils Single Outcome Agreement 2008 and more outcomes focused.

The following key priorities are identified from this review:-

- a) The implementation of the Housing (Scotland) Act 2006: how we will contribute to improving the quality of Private Sector Housing.
- b) Accurate assessment of future Affordable Housing Needs and Demand.
- c) Inform and take forward the Affordable Housing Policy to define housing supply targets.
- d) Review the Affordable Housing Policy¹⁵ and its implications :
 - Investigating the benefits of pressured area status.
 - Complete land audit of Council owned sites
 - Council led delivery of affordable housing ¹⁶
- e) Develop Angus SHIP as an integral part of the LHS 2011 focusing on development principles in terms of quality and energy efficiency and linking the Land Assembly Policy.¹⁷
- f) Develop partnership consultation, involvement and participation.
- g) Develop a strategy for tackling Empty Homes.

An indication of the direction of travel of the Angus Council is outlined in the appendix 1

13. Conclusion

This review has shown that overall; we have made significant progress in 2007-2008 towards achieving our LHS objectives.

We are still working on Housing Need and Demand Assessment. In order to establish housing supply targets

Angus Council is also keen to work with our neighbouring local authorities; Dundee, Perth and Kinross, and Aberdeenshire. We are planning liaison groups with these local authorities

¹⁵ Report NO 1089/07 Neighbourhood Services Committees – 15 November 2007 – Affordable Housing.

¹⁶ Report NO 500/08 Neighbourhood Services Committee – 29 May 2008 – Council led delivery of Affordable Housing.

¹⁷ Report NO 55/08 Neighbourhood Services Committee – 17 January 2008 – Angus Strategic Housing Investment Plan 2008.

to explore regional issues to ensure the Angus LHS 2011 is consistent with and linked to Strategic Development Plans

Our high priorities will remain: Affordable Housing, the Private Sector and the implementation of the Housing (Scotland) Act 2006, Empty Homes, Fuel Poverty and Migrant Workers.

Appendix 1

Angus Council Local Housing Strategy 2011 – The Direction of Travel

Local Housing Strategy Guidance 2008

The Local Housing Strategy Guidance issued by the Scottish Government and COSLA in June 2008, in the spirit of the Concordat advised new style Local housing Strategies should:

- have an outcomes-based approach with a clearer focus on strategic housing and related support needs, linked to the Single Outcome Agreement
- be the sole strategic document on housing, homelessness and support issues, central to local authorities' corporate planning activities
- be the vehicle for taking forward strategic policy priorities as set out in, for example, *Firm Foundations* and *Scottish Planning Policy 3: Planning for Housing (SPP3)* to achieve an increase in housing supply across all tenures
- where appropriate, consider the development of Housing Market Partnerships across local authorities boundaries, to encourage a regional perspective on housing need and supply and the setting of local housing supply targets
- take forward the policy priorities set out in the Housing (Scotland) Act, 2006 to improve the condition of privately owned homes and to raise standards in the private rented sector as well as increasing the contribution this sector can make in meeting housing and homelessness needs
- set a framework for the development of sustainable, mixed communities including addressing issues concerning climate change and energy efficiency
- be underpinned by formal housing need and demand assessments which also support new Development Plans
- address legislative duties in relation to equalities to ensure that the needs of different communities and household groups have been considered
- incorporate robust community consultation arrangements that ensure the effective involvement of local people and communities.

Introduction

In order to facilitate integration of the Local Housing Strategy and Development Plans, submission of the next Local housing Strategy will coincide with the Angus Strategic Development Plan which expires and is to be renewed in 2011. Therefore in the interim period, the Housing Division will develop a new Local Housing Strategy 2008-09 based on the direction of travel and review this on an annual basis.

The Strategic role of the Housing Division has become an increasingly important part of its activity since the Council stopped being the main housing provider in the Angus area. This role has developed further since the Council took on the responsibility of producing and maintaining the Local Housing Strategy.

Despite its limitations, the Local Housing Strategy has helped set priorities and clarifies the role and responsibilities of the Housing Division and our partnerships. It has provided a mechanism of communication with internal and external partners, has helped the Council advance its strategic role and helped individual officers where they fit within the new strategic culture.

The Local Housing Strategy has a key focus on providing affordable housing in response to people's housing needs and narrowing the gap between disadvantaged groups and the wider community.

The Local Housing Strategy 2011 will be an outcome-focussed document, and will ensure that Angus Council and its partners contribute fully to the national Strategic Objectives of creating a greener, healthier, safer, stronger, smarter, wealthier and fairer Scotland. The LHS 2011 will be consistent with the Single Outcome Agreement 2008 and the Angus Corporate Action Plan.

The Local Housing Strategy 2011 will be the sole strategic document on housing need, and will endeavour to ensure that the right housing is available in the right locations to meet a range of needs, including those of households affected by homelessness. We will work with a range of partners to endeavour to deliver appropriate housing and support solutions for those with particular needs.

To achieve this, it is important not to consider housing in isolation from other factors such as employment, health, demography, infrastructure, transport and services. It has to be clear in our plans and actions that housing is not a stand alone subject; it has to be dynamic and interact with all the factors mentioned that shape our communities. Housing not only drives these other elements, but is driven by them in turn.

Our approach will be to strengthen the linkages and connections between housing and these other factors and to formulate strategies, policies and services related to them.

When it comes to the choice of a property, households take into consideration not only the size, type of tenure and the price, but also parameters such as the location, commuting distance, work opportunities in the area, local business and leisure facilities, the safety of the area and a range of other factors.

We will work to ensure that new housing developments will reflect our commitment to quality in design, and our desire to support innovation in both design and construction. Achieving enhanced levels of energy efficiency in new housing will be a key priority within this process.

We shall also work with partners to endeavour to enhance the quality of the existing housing stock in Angus across all tenures. Aside from seeking to ensure that housing stock across all tenures is fit for purpose, we shall also again seek to achieve enhanced levels of energy efficiency, focusing on areas where there are the greatest issues.

Whilst the Local Housing Strategy focused on social housing and the housing needs to respond to disadvantaged groups in and from Angus, there is still a need to develop a more comprehensive and holistic approach to housing markets in order to better align supply with demand.

From these considerations, the perspective we will take to approach housing in the coming years is from six angles:

- ❖ To strengthen linkages and connections with other factors that create a sense of place and shape a community such as the economy and employment, infrastructure, services and leisure in order to forecast and meet the housing demand.

All strategies have to work to compliment one another. If for instance, the Local Economic Development Strategy plans or forecasts growth of the economy, the Local Housing Strategy has to respond and facilitate the supply of the number of houses needed by the workforce. Population and housing growth can strain the local infrastructure, including schools, transport and services. Residents have to be connected to their jobs, schools and leisure and this connection has to be reflected in our strategy.

Housing need and demand are not static elements; they are dynamic and reflect changes in the economy contributing to create and maintain a strong local and sub-regional economy. Strategic Housing Needs and Demand Market Assessment will inform the Local Housing Strategy to identify and focus housing investment to support and encourage economic development. Also in the context of the new Local Housing Market Areas, we must consider cross boundary economic effects, for example, Angus has strong links to Dundee.

In addition, housing markets are not limited to single administrative authority areas; they are rather porous and can spread over neighbouring boundaries.

❖ In order to have a strategic plan for the future of housing across all tenures, taking account of national priorities it is important to have a comprehensive and holistic understanding of the local housing markets. Analysis of both the regional level as well as the micro level will help to establish the most accurate picture of the housing market and its future development priorities. It is important to understand the trends in housing markets to be able to predict the implications for the other strategic elements in the area.

Identifying Angus Housing Market Areas ¹⁸an in-house study has shown that at the Angus boundaries there is a strong housing market area associated with Dundee and another one to the north linked with Aberdeenshire/ Aberdeen.

As the Dundee Region Structure Plan includes Angus, this will make it easier to work jointly with Dundee City on our shared housing markets, however, a working partnership with Aberdeenshire and Aberdeen may be more difficult because Angus is not a part of the Aberdeen Region Structure Plan.

There is a willingness from all Tayside Local Authorities to share information, data, best practice and methods; however there will be challenges engaging in the other housing market areas shared with Aberdeenshire. Going forward, partnerships with all neighbouring Local Authorities are essential for the success of the Housing Market Need and Demand Assessment.

Local and/or regional private companies should also be involved in the Housing Need and Demand Assessment so that the Local Housing Strategy can identify, respond to future demand and needs and jointly set housing supply targets.

❖ Strengthening our links and cooperation with Community Planning Partnerships in order to work with communities to plan and develop houses that meet their needs and aspirations.

The nature of housing has an impact on the well-being of children, on their education and their development. If the houses and the neighbourhoods where children live are not of the correct size, good quality and safe, this will impact on their future and on the future of Scotland.

Firm Foundations outlines the need for local housing strategies to have a role in shaping housing systems. Therefore, in order to meet our commitment to develop sustainable mixed communities the Local Housing Strategy will aim to view the housing system as a whole, across all housing tenures. The Angus Local Housing Strategy will strengthen the link between assessing housing need and demand and development planning through implementation of Scottish Planning Policy 3 (SPP3), which aims to support achievement of an increase in housing supply across all tenures. Additionally we will meet our statutory duties under the Housing (Scotland) Act 2006 and seek to develop the private sector.

¹⁸ Consultation Paper: Identifying Angus Housing Market Areas, July 2008-08-21

The Local Housing Strategy will develop mechanisms to strengthen partnership working with key stakeholders to enable delivery of outcomes and that these are recognised as shared priorities.

❖ The housing market is dynamic and can change according to the economy, employment and trends in the population and the workforce. Farms and process food manufactures are amongst the biggest companies in Angus. Since 2004-2005, the workforce of these companies has been primarily made up of migrant workers. This group is not homogenous and is quite mobile. The private sector plays a key role in accommodating migrant workers as they do not always benefit from tied accommodation and do not necessary want to buy a property.

We have to bear in mind that these workers came to the UK, and especially to Angus, not only to improve their living standard and lifestyle, but also to save money to take back home. The high value of Sterling on international currency markets made this an achievable goal. However, the recent fall in Sterling coupled with increases in rents, inflation and the shortage of affordable houses in Angus makes the justification for coming to work in Angus more difficult and local companies could risk losing a key element of their workforce.

In order to continue to attract international workers who make a strong contribution to the dynamism of the Angus economy it is essential to provide suitable good quality and affordable accommodation. The Local Housing Strategy must take forward key elements of the 2006 Housing (Scotland) Act to improve the standards of housing across all tenures.

While we are concerned about overcrowding and unscrupulous landlords taking advantage of the vulnerable situation of migrant workers, we should also be aware that this overcrowding could be the result of migrant workers own desires to share housing, either as an approach to save money or to help other compatriots in housing difficulty.

❖ The credit crunch has turned upside down all the certainties and predictions regarding the housing market as well as householder behaviour, needs, demands and aspirations.

The recent economic and financial turbulence has raised questions regarding affordability and has already had an impact on the construction industry.

Affordability used to be referred to in terms of the ratio of average house price to average income. To be affordable, a house should require not more than 25% of a household's income, but with the inflation house prices and rents, an increased number of households are in housing debt. These factors also make it impossible for young households to rent and for those who are willing to buy their own property; the reduced availability of credit and mortgage products coupled with increased mortgage service costs has made it almost impossible for low income households to get on the property ladder.

What could be done to resolve this issue? Should we reconsider what affordability means in this new context?

In an environment where the Scottish Government has reduced the level of Grant provided to Housing Associations, how can the financial gap be filled between the cost of affordable housing and the subsidies provided to meet the Angus housing supply targets?

With the steep reduction in the rate of new build, the number of affordable houses provided by private developers has also declined.

The Local Housing Strategy remains firmly committed to maximising opportunities set out in SPP3 with section 75 and the affordable housing policy, as tools to support the increased construction of affordable housing to develop, or contribute to, the social mix of communities in Angus. However this must be evidence based in the context of strategic housing need and demand assessments.

❖ We intend to develop a strategic housing investment plan that acts as an implementation tool, setting out clearly how the affordable housing priorities of the Council and its partners will be delivered in the next three to five years. The SHIP will identify the necessary resources from funding to land supply.

The LHS will be the higher strategic document setting out how the Strategic Authority intends to meet both national and local priorities. While the LHS will identify through housing need and demand assessment the Councils investment priorities in terms of type and location of housing, the SHIP will be more site specific.

Conclusion

There are many challenges ahead driven mainly by external factors that threaten to undermine the Local Housing Strategy, however the interim period allows us to formulate an informed response.

The credit crunch has changed the playing field and we are now facing a dilemma: should the Council keep using section 75 and continue to require private developers to construct the same percentage of affordable housing, affordable housing that is no longer actually affordable to many low income residents due to the credit crunch, or should we reconsider our partnership with private developers to contribute to preventing the Angus construction industry from going under. There is still a demand for new build, which while not necessary affordable, still contributes to the construction industry and the economy overall.

Because the Housing Associations approach to selling and renting takes a more long term view, they could potentially take advantage of the current situation and buy private developers sites and properties at low prices, if they had the financial strength to do so.

Other consequences of the credit crunch are mortgage repayment arrears and house repossession. Although there is no firm evidence yet on deteriorating mortgage arrears or repossessions in Angus, this is already a concern in other areas. We have to keep a close eye on this issue in order to respond to difficulties as quickly as possible.

Appendix 2

The table below indicates the timing of the 2007-2008 LHS Review

Action	Date
Agree the LHS progress 07-08 and priorities 2008-09 with Reference Group	1 July 2008
SHIP Forum	21 August 2008
Submission to Communities Scotland	28 August 2008
Provide LHS Review to be provided to Senior Management	2 September 2008
LHS Report to be approved by Housing Committee	October 2008
Draft LHS Review to be sent to partners for consultation	November 2008
Private Sector Forum	November 2009