

1. Introduction

- 1.1. The core purpose of the Strategic Housing Investment Plan (SHIP) 2018/19 – 2022/23 is to set out the investment priorities for affordable housing over a five year period which are consistent with and achieve the outcomes set out in the Angus Local Housing Strategy (LHS) 2017-22. It has been developed in partnership with Registered Social Landlords (RSLs), the Angus Health and Social Care Partnership, planning and property services.
- 1.2. The SHIP is designed to be a working tool which:
 - Improves longer-term strategic planning
 - Provides a practical plan detailing how investment in affordable housing will be directed
 - Provides an opportunity for local authorities to set out key investment priorities for affordable housing and demonstrate how these will be delivered and the resources which will help deliver these priorities
 - Forms the basis for more detailed programme planning
 - Provides a focus for partnership working
 - Informs, and is informed by, the preparation of Registered Social Landlord (RSL) development funding plans
 - Informs the allocation of resources from a national to a local authority level
- 1.3. In March 2017 the Scottish Government announced the funding allocated to local authorities for 2018/19 – 2020/21. Angus' Resource Planning Assumptions (RPA) for this period are a significant increase compared to previous funding assumptions and this presents an opportunity to increase the scale and pace of delivery of affordable housing in Angus over the next three years. The Council is committed to overseeing a long term programme of new affordable housing development in Angus, contributing to the Scottish Government's target to deliver 50,000 new affordable homes in the lifetime of this Parliament.
- 1.4. The SHIP tables set out the projects to be taken forward on a year-by-year basis and the funding required. The SHIP includes affordable housing supply through new build, replacement, renovation and re-modelling. This information will be used by the Scottish Government to draft Strategic Local Programme Agreements. Once agreed, Strategic Local Programme Agreements will form the basis of individual RSL and Local Authority programme Agreements.

2. The Strategic Context

- 2.1. The LHS 2017-22 sets out how the Council and partners will continue to deliver our vision '*to create places that people are proud to call home*'. This vision will be achieved through a set of outcomes which reflect local priorities, national policy objectives and provide a clear strategic direction for the LHS 2017-22. The three outcomes are:
 1. Increase the supply of good quality, affordable housing across all tenures
 2. People can access a range of housing options and related services to meet their needs

3. Improve stock condition across all tenures, ensuring we tackle fuel poverty and energy efficiency and contribute towards climate change targets
 - 2.2. A range of key strategic and planning documents including the Strategic Development Plan (SDP), the Local Development Plan (LDP), the Housing Land Audit and the Angus Health and Social Care Partnership Strategic Plan have also informed the SHIP.
- 3. Housing Need and Demand**
- 3.1. For development planning purposes the Angus housing market is considered in terms of four Housing Market Areas (HMAs). These are broadly comparable to the four localities used to inform community planning:
 - South – Carnoustie and Monifieth
 - East – Arbroath
 - North – Montrose and Brechin
 - West – Forfar and Kirriemuir
 - 3.2. In Angus the Housing Need and Demand Assessment (HNDA) is currently carried out across the TayPlan area which includes Angus, Dundee, Perth and Kinross and Northern Fife. TayPlan HNDA 2013 provides a key evidence base to inform the LHS 2017-22 and estimates a need for an additional 314 market and affordable homes per annum in Angus from 2012 to 2032.
 - 3.3. The LHS sets a Housing Supply Target (HST) for the period 2017-22 which determines the type of market and affordable housing required to meet housing need and demand throughout the life of LHS. This includes the level of affordable housing required to meet need and a target for delivery of homes for households with particular needs. In order to increase housing supply and contribute towards the HST, the Council and Registered Social landlords will aim to deliver 120 new affordable homes per annum, doubling development over the next five years.
 - 3.4. The population of older people in Angus is set to grow by 25% by 2037 and at least 16% of households currently in housing need require an adaptation or specialist housing. It is also known that around 50 new supported tenancies will be required over the next 10 years. To address the growing need for specialist housing the LHS sets a target that at least 20% of new affordable housing will be delivered to meet particular needs and at least 10% to full wheelchair standard.
 - 3.5. The LHS considers the requirements for social and other affordable tenures (such as mid-market rent and low cost home ownership initiatives). Using information from the HNDA it is estimated around a quarter of households in housing need could meet that need through some form of intermediate tenure, consistent across the four HMA's. The LHS therefore sets the split of social rented housing and alternative affordable housing tenures at approximately 75:25. Further research is required into the role of intermediate tenures across Angus and these findings will be considered throughout the life of this SHIP.

4. Partnership Working

- 4.1. The SHIP is developed and implemented through close partnership working with the Scottish Government, Registered Social landlords and the Angus Health and Social Care Partnership. A number of mechanisms are in place to ensure a range of partners are involved in the ongoing delivery of the SHIP.
- 4.2. There is a strong history of partnership working in Angus Council with RSLs working closely with the Council to deliver the housing programme. There are four housing associations with active projects within the SHIP and an interest in continuing to develop in Angus. A number of other RSLs are represented on the Council's Affordable Housing Delivery Groups and continue to engage with the Council about possible future development opportunities.
- 4.3. The Affordable Housing Delivery Group was set up to bring together all partners quarterly to discuss the wider programme and strategic issues including updates from Scottish Government, the SHIP and site prioritisation.
- 4.4. In 2017 the Group was extended to take a more proactive role in addressing project progress. In addition to a quarterly meeting of the Strategic Group, a Project Group now brings partners together in intervening months to focus on specific project issues including those related to planning, public utilities and slippage impacting on funding.
- 4.5. In developing the SHIP 2018/19 – 2022/23 RSLs were asked to submit project proposals. These were assessed alongside Council projects by a housing and planning group. The group assessed the projects against the SHIP prioritisation framework and agreed which projects to take forward.
- 4.6. The Housing, Health and Social Care Strategic Planning Group meets on a quarterly basis and includes representatives from the Council's housing service, RSLs and the Health and Social Care Partnership. A core function of the group is to ensure the LHS and the Strategic Plan for Health and Social Care are aligned and put in place arrangements whereby the need for specialist provision can be identified, prioritised and reflected within organisational delivery plans.
- 4.7. The Housing Supply and Placemaking Group has also been set up as one of three LHS Implementation Groups. It involves a range of partners and stakeholders and monitors progress against the outcome to ensure that the actions are delivered within the required timescales. This will include monitoring of the target to deliver 120 new affordable homes per annum.

5. Affordable Housing Supply Programme (AHSP)

- 5.1. The minimum RPA for the initial three years of the SHIP is £25.074m. This is broken down as: £7.511m for 2018/19; £8.497m for 2019/20; and £9.066m for 2020/21. To date no funding assumptions have been given for years four and five however as the Council intends to deliver a rolling programme of housing investment, projects have been identified with funding requirements closer to historic later year RPAs of around £2m.

5.2. The SHIP projects that in the region of 617 units could be delivered in the period to 2022/23. Subsidy of £35.874m would be required to deliver the programme. The SHIP has been prudently overcommitted to enable the Council to manage any programme slippage effectively.

5.3. The funding requirements are as follows:

SHIP Year	Total completions	Funding requirement £m
1 - 3	544	31.567
4 - 5	73	4.307
Total	617	35.874

5.4. The Council, together with its RSLs partners, has sought to be as realistic as possible in detailing the likely forward programme. Projects which have been assessed as having an early delivery date have been programmed as early in the SHIP as possible, resulting in the early years being ‘front loaded’ and a fewer number of projects detailed in later years.

5.5. The Council, in consultation with the Scottish Government, will continue to manage the Affordable Housing Supply Programme (including the Strategic Local Programme Agreement (SLPA)) in conjunction with its Housing Capital Expenditure Plan and Affordable Housing Account investment to support and maximise delivery of affordable housing in priority sites during the life of the SHIP.

6. **Funding and Organisational Capacity**

Angus Council

6.1. In February 2017 the Council’s Communities Committee approved its five year Business Plan which cements its commitment to deliver an ambitious new build programme. The Business Plan sees investment in the new build programme double to deliver around 350 new homes in the period 2017/18 – 2021/22. The Council will deliver around 310 units over the lifetime of the SHIP, this is in addition to 40 units which are currently onsite and expected to complete before the end of the financial year. Funding in the region of £29m has been allocated from the Housing Capital Expenditure Plan 2017/21 for this purpose.

6.2. The Affordable Housing Revenue Account (AHRA) is used to support projects which contribute to increasing the supply of affordable housing. As outlined in the Housing Revenue Account Business Plan, funding of £2m from the AHRA will be used to support the HRA Business Plan 2017/18 – 2020/21.

6.3. The Council is currently exploring how its approach to procurement can best support the increased new build programme. A small developments framework is currently being tendered for which will run for a period of four years and aims to encourage Small and Medium Enterprises to apply. Consideration is being given to the use of pre-tendered frameworks for larger contracts which will be let on a design and build basis.

Abertay Housing Association

- 6.4. Abertay Housing Association, in addition to owning and managing 1,750 houses in Dundee, is currently developing 16 units in Forfar and has funding allocated for a further 15 units in Carnoustie. The Association's Committee has approved delivery of around 50 units per annum across Dundee and Angus. The Association is willing to look at sites with varied capacity and would consider developments across Angus with a particular focus on the South, West and East HMAs.

Angus Housing Association

- 6.5. Angus Housing Association has delivered around 90 units since 2013 and is currently developing a further 71 units in Arbroath, due to be completed in 18/19. Funding for a further 192 units is allocated within the Angus SHIP.
- 6.6. The Association would require to take a view on the number of projects live at any one time to enable it to ensure sufficient resource capacity. The Association develops across all HMAs.

Caledonia Housing Association

- 6.7. Caledonia Housing Association delivered 24 units in Carnoustie in this financial year. Although Caledonia have not made any submissions for this SHIP, the Association is continuing to explore sites with varied capacity and would consider developments across Angus to be brought into this plan in later years or where there is slippage in the early years.

Hillcrest Housing Association

- 6.8. Hillcrest Housing Association delivered 43 units in Monifieth in the last financial year and are planning to start work to deliver 40 units in Arbroath this financial year. Site issues have prevented this from progressing and the current SLP has allowed for slippage. Funding for an additional 12 units in Arbroath is allocated within the Angus SHIP. The Association's Committee has approved delivery of around 800 units over three years across Dundee, Angus, Perthshire, Edinburgh and Fife with no local targets set.
- 6.9. The Association is willing to look at sites with varied capacity but is particularly interested in taking forward larger Section 75 sites with developers. The Association would consider developments across Angus with the main area of focus being the South and East HMAs.

Sanctuary Scotland Housing Association

- 6.10. Sanctuary Scotland Housing Association has 30 units allocated within the Angus SHIP. While new to development within Angus, their £750 million national development programme, which ran from 2011 to 2015, saw the delivery of over 5,000 new homes and have a significant programme to deliver over 30,000 new homes nationally by 2027.

6.11. Sanctuary Scotland's affordable housing includes general rented and sheltered accommodation, which are located across nine local authority areas, where they have created communities where people are proud to live. At present, the Association owns and manages 50 properties in the Angus area, which are managed by an experienced team of staff located in the nearby Dundee office. The Association's surpluses are invested in their services, homes and neighbourhoods.

7. Housing Infrastructure Fund (HIF)

7.1. The Scottish Government has introduced a flexible five year grant and loan fund to help tackle infrastructure blockages and to accelerate the delivery of primarily affordable housing across Scotland. Support will consist of three main elements:

- Infrastructure grant available to local authorities and RSLs (to cover costs which are not currently funded from the AHSP).
- Infrastructure loans to non-public organisation.
- Resources to accelerate site development.

7.2. Consideration has been given to how HIF can support SHIP projects and two or three projects have been identified as potentially meeting the criteria. However, while there has been initial interest from developers it has not been possible to obtain the information required to form more detailed project proposals. This may be because the terms of the HIF may not be markedly different to finance available in the market or because developers are not in a position to commit to programmes beyond the initial early delivery stages.

8. Affordable Housing Policy

8.1. The Affordable Housing Policy sets out the contribution that developers must make to the delivery of affordable housing as a condition of securing planning approval for a new build development. The Affordable Housing Policy requires all new housing sites in Angus to provide a 25% affordable housing contribution. This can include a variety of forms such as social rent, shared equity, housing for discounted sale and mid market rent. Sites delivered through the Affordable Housing Policy make a significant contribution to the SHIP.

8.2. The Council will continue to consider the contribution that developer contributions make to the delivery of affordable housing in Angus, and to secure the most appropriate contribution for each site. The Council will continue to utilise contributions resulting from the Affordable Housing Policy to support the delivery of affordable homes within its own programme and with RSL partners where appropriate.

9. Prioritisation framework

9.1. The SHIP has been developed using a framework that seeks to prioritise investment which balances the Council's strategic objectives, deliverability and community benefits. In assessing individual projects for inclusion in the SHIP the Council has considered the following:

- The extent to which the development addresses unmet housing need
- Site attributes including reuse of brownfield site, historic or listed buildings, town centre development and rural locations

- The extent to which planning approvals are in place and conditions have been met which may affect delivery timescales
 - The extent to which the development will deliver wider community amenities
 - The opportunities to lever additional funding which adds value to the project, and
 - The extent to which the development meets a specific strategic priority such as large scale regeneration sites.
- 9.2. The framework is not intended to provide the only assessment of priority and the Council will continue to balance its investment decisions through a mixture of Council, RSL and developer delivery and by considering a range of affordable housing tenures to meet housing needs across the four HMAs. It is also recognised that as projects develop there will need to be adjustment to the scoring output as, for example, planning permission is granted or wider community benefits are realised. This may cause the priority of a project to be revised during the life of the SHIP.
- 9.3. The prioritisation framework can be found in Appendix 1.

10. Energy Efficiency

- 10.1. The Council will seek to maximise the opportunities for energy efficiency and reduction of fuel poverty, achieving the ‘Greener’ energy efficiency standard in new build where practicable. In order to meet the standard, homes must meet Section 7, Silver Level of the 2011 Building Regulations in relations to both carbon dioxide emissions and energy for space heating. It is recognised however that the standard may not be attainable in all projects, particularly where an existing building is to be redeveloped or where homes form part of a larger development for market provision. The Council will also support RSL partners to develop to the ‘Greener’ standard.

11. Equalities

- 11.1. Angus Council is fully committed to equalities and diversity. The Council will respond to the different needs and service requirements of people regardless of sex, race, colour, disability, age, nationality, marital status, ethnic origin, religion or belief, sexual orientation or gender reassignment. The planning and delivery of good quality housing and appropriate information, advice and support services in Angus embraces the principle of equal opportunities and the equality outcomes.
- 11.2. The SHIP plays a significant role in promoting this agenda. People with specialist needs should have, wherever possible, the opportunity to live independently in their own homes and community. To address specialist needs, at least 20% of new affordable housing will be delivered to meet particular needs and at least 10% to full wheelchair standard.
- 11.3. An Equalities Impact Assessment (EQIA) was undertaken as part of the process for developing the LHS 2017-22. The EQIA highlights that the LHS will assist specific groups who share protected characteristics. Each strategic outcome embraces the housing needs of groups who are at risk of exclusion, underpinning our approach to improving access to good quality housing and related services for all people in Angus. The SHIP

2018/19 – 2022/23 has been developed to support the delivery of the strategic priorities set out in the LHS 2012-17.

12. Strategic Environmental Assessment

- 12.1. The Strategic Environmental Assessment (Scotland) Act 2005 requires that all qualifying plans, programmes and strategies, including policies are screened to assess the potential environmental impact of the plan. A Strategic Environmental Assessment (SEA) ensures that environmental issues are considered by decision makers alongside social and economic issues.
- 12.2. The SHIP as part of the LHS 2017-22 was considered under the Environmental Assessment (Scotland) Act 2005 and pre-screening identified that the plan will have no or minimal environmental effects. It is therefore exempt and the SEA Gateway has been notified.

Appendix 1: Strategic Housing Investment Plan 2018/19 – 2022/23 Prioritisation Framework

Introduction

The Prioritisation Framework provides a tool to prioritise investment which balances the Council's strategic objectives, deliverability and community benefits. It is used to assess projects for inclusion in the SHIP, including to help decide when to bring projects into the SHIP.

The framework does not provide the only assessment of priority and the Council will continue to balance its investment decisions through a mixture of Council, RSL and developer delivery and by considering a range of affordable housing tenures to meet housing needs across the four HMAs.

As projects develop there may be a need to adjust to the scoring output as, for example, planning permission is granted or wider community benefits are realised. This may cause the priority of a project to be revised during the life of the SHIP.

Scoring Criteria

(1) Extent to which project addresses unmet housing need:

High	5
Medium	3
Low	1

(2) Site attributes

Brownfield	1
Listed/historic	1
Town centre	1
Rural	1

(3) Planning consent:

Full consent, all conditions met	3
Outline consent/full consent expires within 1yr or conditions not met	2
Site allocated for housing in LDP	1

(4) Delivers wider community amenities or benefits

Yes	3
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(5) Opportunities for other internal/external funding

Yes	3
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(6) Meets agreed strategic priority

Yes	5
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Low priority	Medium priority	High priority
1 – 6	7 – 12	13 +