

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 26 MAY 2015

SURVIVE AND THRIVE INITIATIVE – PROJECT UPDATE

HEAD OF PLANNING AND PLACE

ABSTRACT

This report provides an update on the Council's Survive and Thrive Initiative and seeks approval for funding formally ring-fenced within the HRA but not utilised through the Initiative, to be used to support the Council's Housing Capital Programme.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) Notes the progress on the Council's Survive and Thrive Initiative.
- (ii) Approves that funding of £1.242m, formally ring-fenced to the Initiative, be used to support the Council's Housing Capital Programme.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Angus is a good place to live in, work and visit
- Our communities are safe, secure and vibrant
- Our communities are developed in a sustainable manner
- Our natural and built environment is protected and enjoyed

3. BACKGROUND

Members will recall that the Council's Survive and Thrive Initiative was intended to support the local business sector by stimulating construction activity while at the same time helping to meet the strategic aim of increasing affordable housing supply. Prudential borrowing up to a maximum of £3.2m was identified to deliver the Initiative, generated through savings from the Housing Service staff re-structure.

In 2013, approval was given to further develop the Initiative by securing a supply of land for the future delivery of affordable housing.

4. CURRENT POSITION

A total of seven projects, to deliver 77 affordable units, were approved through the Survive and Thrive Initiative. Of these, three projects at Braeview Park, Brechin; Southesk Street, Montrose; and Park Avenue, Carnoustie are complete. Projects at Baltic Mill, Arbroath, West High Street, Forfar and Queens Street, Carnoustie are currently onsite.

Members will be aware that Baltic Mill, Arbroath is an important regeneration project that will bring a former industrial site back into use. The project will deliver 36 mid market rented homes. In addition to funding through the Survive and Thrive Initiative, the project has attracted funding from the Scottish Government Regeneration Capital Grant. The project is now onsite and has satisfied both the Council and Scottish Government's funding requirements to enable grant to be paid in tranches, on completion of satisfactory work.

It is understood that all shared equity units at Queen Street, Carnoustie have been reserved with settlements due to take place over the coming months. It is anticipated that the project will be complete by the end of 2015.

A project at Ernest Street, Arbroath has not progressed through the Initiative despite engagement with the developers. As a result, the grant award has been withdrawn. Discussions with the developer are continuing with a view to exploring alternative options for delivery.

In addition to the developer-led projects delivered through the Initiative, the programme has also supported delivery of specialist housing for Armed Forces Veterans. Through the second iteration of the Initiative, the Council was able to contribute to the land purchase for a development of five units by Homes for Heroes at Camus Crescent, Carnoustie.

The Initiative is supporting the delivery of 69 affordable homes in Angus, with a large number already occupied by families. A total of £1.958m grant funding has been paid or is committed to projects onsite and therefore of the initial £3.2m ring-fenced for the Initiative, £1.242m remains uncommitted.

5. PROPOSALS

While the Survive and Thrive Initiative has delivered positive outcomes, the market conditions have moved on since its inception. It is proposed that the remaining uncommitted balance of £1.242m is used to support the Council's Housing Capital Programme and that no further funding be awarded through the Survive and Thrive Initiative.

The Council will continue to support the local business sector and maximise the supply of housing across all sectors by exploring opportunities for partnership working. The Council's own new-build programme also provides the local construction sector with opportunities to tender for work.

6. FINANCIAL IMPLICATIONS

The uncommitted balance of £1.242m from the previously identified borrowing capacity of £3.2m will be used to support the Council's Housing Capital Programme. The use of this funding and any impacts related to the use of prudential borrowing within the Housing Capital Budget will be reported to Members through the normal budget monitoring and budget setting process.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report No 521/13 Survive and Thrive Initiative – Phase Two
- Report No 723/11 Survive and Thrive Initiative – Award of Funding
- Report No 646/11 Survive and Thrive Initiative – Progress Report
- Report No 365/11 Survive and Thrive Initiative – Progress on the New Build Approach to Housing in Angus
- Report No 894/10 Survive and Thrive Initiative – Further Housing Contribution

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