

**ANGUS COUNCIL**

**COMMUNITIES COMMITTEE – 26 SEPTEMBER 2017**

**STRATEGIC HOUSING INVESTMENT PLAN 2018/19 – 2022/23**

**REPORT BY HEAD OF HOUSING, REGULATORY AND PROTECTIVE SERVICES**

**ABSTRACT**

This report seeks to inform members of the Strategic Housing Investment Plan (SHIP) for 2018/19 – 2022/23 and proposals for the use of resources from the Affordable Housing Reserve Account (AHRA) to support the supply of new affordable housing.

**1. RECOMMENDATIONS**

It is recommended that the Committee:

- (i) notes the contents of this report and approves the content of the SHIP 2018/19 – 2022/23 as detailed in **Appendix 1** and **Appendix 2**.
- (ii) approves the ongoing development of the SHIP, and its associated programme plans and procedures, with the Council's partners during the lifetime of the Plan.
- (iii) approves the use of AHRA reserves towards projects that increase the supply of affordable housing across Angus as detailed in **Appendix 3**.

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

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

- Our communities are developed in a sustainable manner.

**3. BACKGROUND**

- 3.1. The core purpose of the SHIP is to set out the strategic investment priorities for affordable housing over a five year period to achieve the strategic vision set out in the Angus Local Housing Strategy (LHS) 2017-22 to 'create places that people are proud to call home'. The SHIP sits along side the LHS 2017-22 as one of its core delivery mechanisms.
- 3.2. The SHIP is prepared by the Council in its role as the Strategic Housing Authority. The SHIP ensures the Council and its partners deliver housing which meets the needs of the local community and informs Scottish Government investment decisions.
- 3.3. Scottish Government guidance states that the SHIP should:
  - Set out investment priorities for affordable housing
  - Demonstrate how these will be delivered
  - Identify the resources required to deliver these priorities
  - Enable the involvement of key partners
- 3.4. The Council is required to submit its SHIP to the Scottish Government by 27 October 2017. Following approval, the SHIP will form the basis of the Strategic Local Programme Agreement (SLPA) with the Scottish Government. The SLPA sets out the programme of housing projects that will be funded over the next three years and will be reviewed and updated annually to ensure delivery remains on track.

#### **4. CURRENT POSITION**

- 4.1. The Scottish Government is committed to delivering 50,000 affordable homes within the lifetime of this parliament. In order to achieve this, funding for affordable housing has been increased significantly and in June 2016 the Scottish Government provided the Council with a minimum Resource Planning Assumption (RPA) for the three year period 2018/19 to 2020/21.
- 4.2. 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. These figures represent a significant increase compared to previous funding assumptions and present an exciting opportunity to increase the scale and pace of delivery of much needed affordable housing in Angus over the next three years. No funding assumptions have been given for the final two years of the SHIP however projects have been identified for this period which will ensure a continued forward programme of investment in Angus.

#### **5. THE STRATEGIC HOUSING INVESTMENT PLAN 2018/19 – 2022/23**

- 5.1. The SHIP projects, based on current levels of funding, in the region of 617 units could be delivered in the period to 2022/23 requiring subsidy of £36.050m. As per Scottish Government Guidance the SHIP has been prudently overcommitted to enable the Council to manage any programme slippage effectively. The SHIP and accompanying tables are provided in **Appendix 1** and **Appendix 2**.
- 5.2. The Council has an ambitious programme to deliver a programme of around 310 units over the lifetime of the current 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. THE AFFORDABLE HOUSING REVENUE ACCOUNT**

- 6.1. 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 (report 71/17 refers) approved by members, funding of £2m from the AHRA will be used to support the HRA Business Plan 2017/18 – 2020/21. Members will receive updates on the use of this funding through the Housing Capital Monitoring Reports. **Appendix 3** contains an update on how AHRA funding has been utilised to date as well as future commitments.
- 6.2. Members are asked to approve the continued use of AHRA reserves for two staffing posts: part funding of a Senior Solicitor post within Legal Services and; part funding of a Community Regeneration Officer with Housing. Members are also asked to approve the continuation of the Empty Homes Shared Services Agreement with Dundee City Council. **Appendix 3** contains details of how this funding contributes to increasing the supply of affordable housing.

#### **7. FINANCIAL IMPLICATIONS**

- 7.1. There are no direct financial implications arising as a result of the SHIP 2018/19-2022/23.
- 7.2. Funding of £46,723 per annum until 2020/21 is required to meet the costs associated with the two staffing posts. This is broken down as follows: £29,955 per annum for the Senior Solicitor in Legal Services and; £16,768 per annum for the Community Regeneration Officer within Housing. These are costs at current rates which will require to be increased in line with incremental/pay award levels and can be fully meet within existing AHRA resources.
- 7.3. Funding of £30,000 is required to meet the costs associated with extending the Empty Homes Shared Services Agreement with Dundee City Council until March 2019. These costs can be fully meet within existing AHRA resources.
- 7.4. Further details of commitments already approved and those proposed for approval in respect of the AHRA are detailed within **Appendix 3**.

**NOTE:** The following 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. 70/17 – Review of Housing Revenue Account Business Plan – Communities Committee 14 February 2017
- Report No. 376/15 – Affordable Housing Reserve Account – Communities Committee 29 September 2015
- Report No. 106/15 – Appointment of Shared Services Empty Homes Officer – Communities Committee 3 March 2015
- Report No. 301/13 - Future Use of Affordable Housing Revenue Account and Delivery of Affordable Housing – Neighbourhood Services Committee 23 May 2013

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List of Appendices:      Appendix 1 - Strategic Housing Investment Plan 2017/18 – 2021/22  
                                 Appendix 2 – SHIP Tables 2017/18 – 2021/22  
                                 Appendix 3 - Affordable Housing Revenue Account