

AFFORDABLE HOUSING REVENUE ACCOUNT

The Affordable Housing Revenue Account (AHRA) comprises three funding elements; these are Developer Contributions via Commuted Sums, Council Tax revenue collected through the removal of discounts for second and empty homes and Council Tax revenue collected through the Council Tax Empty Homes Levy. The constraints governing how each funding elements can be used varies.

AHRA reserves are directed towards the delivery of new affordable housing and in the pursuit of projects aiming to increase the supply of affordable housing. In 2015 it was also approved that the AHRA would be used to contribute towards a part time Senior Solicitor post, a Community Regeneration Officer and the establishment of a shared services arrangement with Dundee City Council to employ an Empty homes Officer for an initial period of two years.

Use of AHRA Reserves

AHRA funding has been prioritised towards projects which increase the supply of affordable housing in Angus. In particular funding has been used where it has enabled the Council to maximise the use of HRA Capital resources and Affordable Housing Supply Programme monies.

At 31 March 2017 the AHRA had an unaudited balance of £2,516,931.65. The table below outlines projects which have been funded through from the AHRA since April 2014.

Table 1: Use of AHRA Reserves April 2014 – March 2017

Year Funded	Project Name	Total AHRA Funding	AHRA Source	Amount
2014/15	Camus Crescent, Carnoustie	£30,000	Council Tax Second/Empty Homes	£30,000
	Borrowfield, Montrose	£79,000	Council Tax Second/Empty Homes	£79,000
	Rosehill Park, Brechin	£113,000	Council Tax Second/Empty Homes	£113,000
2015/16	Castlegait, Glamis	£49,000	Council Tax Second/Empty Homes	£49,000
	Home Energy Initiative	£40,638	Council Tax Second/Empty Homes	£40,638
2016/17	Chapelark, Forfar	£300,000	Developer Contributions	£300,000
	Anderson Street, Carnoustie	£30,000	Developer Contributions	£30,000
	Part Funding of Community Regeneration Officer	£16,768	Council Tax Second/Empty Homes	£16,768
	Funding for Senior Solicitors Post Law and Admin	£29,051	Council Tax Second/Empty Homes	£29,051
	Empty Homes Initiative	£4,936	Council Tax Second/Empty Homes	£4,936
	Private Sector Housing Stock Survey	£22,665	Council Tax Second/Empty Homes	£22,665
	Travelling People's Site Ablution Blocks	£215,728	Council Tax Second/Empty Homes	£215,728

Projects that span a number of financial years and/ or are developer lead can be particularly difficult to programme within annual grant budgets and the use of AHRA reserves will bring added flexibility for projects being taken forward by the Council and our RSL partners. Projects that do not attract funding from other sources but contribute to increasing the supply of affordable housing will also be considered.

Future Commitments

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.

Members are asked to approve the continued use of AHRA funding for two staffing posts, these costs can be fully meet within existing resources of the AHRA:

- Part fund a part time **Senior Solicitor** post (SCP56) within Legal Services to establish as a full time post. This resource enables the Council to maximise the effectiveness of the Affordable Housing Policy by responding quicker to developers bringing forward Section 75 agreements with an affordable housing requirement. This directly impacts on the Council's ability to increase the supply of affordable housing and improve the quality of service to partners. The anticipated funding requirement is anticipated to be £29,955 per annum for the life of the plan; this may vary as per inflationary uplifts.
- Part fund a **Community Regeneration Officer** (SCP52) to investigate opportunities to improve the quality of housing stock, make better use of existing land and stock and take forward housing projects aimed at promoting 'pride in place'. This post enables the Council to plan and deliver large scale projects such as the Timmergreens regeneration project. The anticipated funding requirement from the AHRA is anticipated to be £16,768 per annum for the life of the plan, which is 40% of the total salary, this amount may vary as per inflationary uplifts. The remaining 60% will be paid from the HRA.

Members are also asked to approve the continuation of the **Empty Homes Shared Services Agreement** with Dundee City Council from December 2017 until March 2019, to fully support the work associated with addressing the problem of long term empty homes in Angus. This will positively aid delivery of the Local Housing Strategy 2017 – 2022, in particular the action to “reduce the number of empty homes by 20 per annum and ensure there is an overall reduction in the number of empty homes”.

The Empty Homes Officer employed through this agreement has been successful in developing a more accurate assessment of the extent of private sector empty properties in Angus and has subsequently co-ordinated appropriate action to address these empty properties. The Empty Homes Loan Fund continues to be a successful initiative which is promoted and administered by the Empty Homes Officer.

Extending funding to March 2019 bears an estimated cost of £30,000 with no additional subsidy available from Scottish Government. Angus Council's contribution to date has been met from revenue raised from the Long Term Unoccupied Property Additional Council Tax Surcharge.

Further details of commitments already approved and those proposed for approval in respect of the AHRA are contained in the table below.

Table 2: Future Commitments from AHRA Reserves

	2017/18	2018/19	2019/20	2020/21	Total
	£	£	£	£	£
AHRA as at 31st March 2017					2,516,932
Estimated income from Council Tax	300,000	300,000	300,000	300,000	1,200,000
Total Estimated Income					3,716,932
Future Approved Commitments					
Financial Plan	500,000	500,000	500,000	500,000	2,000,000
Financial Plan Guthrie Hill	100,000				100,000
Establishment of Empty Homes Loans Fund	120,000				120,000
Travelling Peoples Site Ablution Blocks	784,272				784,272
Empty Homes Shared Services Agreement	10,000				10,000
Future Proposed Commitments					
Funding for Senior Solicitors Post	29,955	29,955	29,955		89,865
40% Funding of Community Regeneration Officer	16,768	16,768	16,768		50,304
Empty Homes Shared Services Agreement Extension	5,000	20,000	5,000		30,000
Available Balance					532,491