

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 13 NOVEMBER 2018

STRATEGIC HOUSING INVESTMENT PLAN 2019/20 – 2023/24

REPORT BY HEAD OF COMMUNITIES

ABSTRACT

This report informs members on the Strategic Housing Investment Plan (SHIP) for 2019/20 – 2023/24 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 2019/20 – 2023/24 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.

2. ALIGNMENT TO THE CORPORATE PLAN /LOCAL OUTCOME IMPROVEMENT PLAN

2.1 This report contributes to the following outcomes

- 1 An inclusive and sustainable economy
- 3 Attractive employment opportunities
- 7 An enhanced, protected and enjoyed natural and built environment
- 8 A reduced carbon footprint
- 9 Safe, secure, vibrant and sustainable communities

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 2018. 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 April 2018 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 was £25.074m. This has increased to £25.586m as a result of an increase for 2018/19 to £8.023m. The other two years remain the same £8.497m for 2019/20; and £9.066m for 2020/21. Local authorities have been asked to use their 2020/21 RPA as the basis for funding for years four and five. The Council had already intended to deliver a rolling programme of housing investment based on historic later year RPAs of around £2m. Work will continue to identify additional projects to meet an RPA of £9m.

5. THE STRATEGIC HOUSING INVESTMENT PLAN 2019/20 – 2023/24

- 5.1 The SHIP estimates that around 608 units could be delivered in the period to 2023/24, requiring subsidy of £32.843m. 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 table are provided in **Appendix 1** and **Appendix 2**.
- 5.2 The Council has an ambitious programme to deliver a programme of around 302 units over the lifetime of the SHIP. Funding in the region of £40m has been allocated from the Housing Capital Expenditure Plan 2018/22 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 £1.5m 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.
- 6.2 At 1 April 2018, the unused balance of income raised through Council Tax was £1,975,520 and the unused balance of developer contributions was £448,019. The total unused balance of funds in the AHRA at 1 April 2018 was therefore £2,423,539.
- 6.3 Prior to consideration of the recommendations in this report, commitments at 1 April 2018 amounted to £2,157,596 leaving an uncommitted total balance of £265,943. This is before adding further Council Tax income that will be due for 2018/19 onwards and any further developer contributions that may become due.
- 6.4 Members are asked to approve the use of the AHRA reserves for two staffing posts: part funding of a Senior Solicitor post within Legal Services and; part funding of an Environmental Health Officer within Environmental and Consumer Protection Service. Members are also asked to note that a review of the continuation of the Empty Homes Shared Services Agreement with Dundee City Council will be done before the end of the agreement in April 2019.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications arising as a result of recommendation 1(ii) relating to the SHIP 2019/20-2023/24.
- 7.2 In terms of recommendation 1(iii), funding of £29,955 per annum until 2020/21 (2 years) is required to meet the cost for the Senior Solicitor in Legal Services and; £25,000 per annum for 2 years is required to meet the cost for the Environmental Health Officer within Environmental and Consumer Protection Service. These are costs at current rates which will

require to be increased in line with increments/pay award levels and can be fully met from uncommitted AHRA resources.

- 7.3 If the recommendations in this report are approved, the costs to be met from the AHRA would total £109,910, reducing the uncommitted total balance on the AHRA to £156,033 prior to further Council Tax income that will be due for 2018/19 onwards and any further developer contributions that may become due.

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. 39/18 – Housing Revenue Account Rent Setting and Budget Strategy 2018-23 – Communities Committee 6 February 2018
- 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

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List of Appendices: **Appendix 1** - Strategic Housing Investment Plan 2019/20 – 2023/24
 Appendix 2 – SHIP Table 2019/20 – 2023/24