

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 12 NOVEMBER 2019

STRATEGIC HOUSING INVESTMENT PLAN 2020/21 – 2024/25

REPORT BY DIRECTOR OF COMMUNITIES

ABSTRACT

This report informs members on the Strategic Housing Investment Plan (SHIP) for 2020/21 – 2024/25 and proposals for the use of resources from the Affordable Housing Revenue Account (AHRA).

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) notes the contents of this report and approves the content of the SHIP 2020/21 – 2024/25 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.

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 was required to submit its SHIP to the Scottish Government by 25 October 2019. This has been done subject to Committee approval and any changes required will be reported to the Scottish Government. 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 In 2018/19, the target for the delivery of affordable housing in Angus was exceeded with 128 homes completed against a target of 120. This is a significant achievement for the Council and our housing association partners. Up to the end of August 2019, 38 units have been completed with every indication that the target of 120 units will be exceeded again this year.
- 4.2 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 in recent years. In April 2019 the Scottish Government confirmed the allocation of the full Resource Planning Assumption (RPA) for Angus at £9.125 million for 2019/20. It also confirmed a revised RPA of £9.681 million for 2020/21.
- 4.3 Taking into account the funding provided last year, this will provide £27.401m of investment in affordable housing in Angus over a 3 year period. This is in addition to the finance provided by the Council (through the HRA Capital Plan) and Housing Associations to deliver projects.

5. THE STRATEGIC HOUSING INVESTMENT PLAN 2020/21 – 2023/24

- 5.1 The SHIP estimates that around 510 units could be delivered in the period to 2024/25, requiring subsidy of £31.6m. 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 272 units over the lifetime of the SHIP. Funding in the region of £44m has been allocated from the Housing Capital Expenditure Plan 2018/23 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 approved in the Housing Revenue Account Rent Setting and Budget Strategy 2018-23 (report 47/19 refers) and subsequently updated Housing Revenue Account Financial Plan (report 230/19 refers), funding of £1.6m from the AHRA will be used to support the HRA Business Plan from 2019 to 2023. Members will receive updates on the use of this funding through the Housing Capital Monitoring Reports.
- 6.2 At 1st April 2019, the unused balance of income raised through Council Tax was £2,231,390 and the unused balance of developer contributions was £583,269. The total unused balance of funds in the AHRA at 1 April 2019 was therefore £2,814,659.
- 6.3 The commitments for 2019/20 amount to £971,544 leaving an uncommitted total balance of £1,843,115. This is before adding further Council Tax income that will be due for 2019/20 onwards and any further developer contributions that may become due.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications arising as a result of the SHIP 2020/21-2024/25.
- 7.2 In terms of the use of committed AHRA reserves in 2019/20, these are as follows:
- Funding of £28,564 to meet the cost for part funding of the Team Leader – Legal (formerly Senior Solicitor) in Legal Services and; £24,139 is required to meet the cost for the Environmental Health Officer within Environmental and Consumer Protection Service (report 345/18). 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 (non-developer contributions).
 - Funding of £500,000 to contribute to the Housing Revenue Account Financial Plan (report 230/19 refers).
 - Funding of £120,000 to deliver the Empty Homes Loan Fund and Empty Homes Grant Fund (report 233/19 refers).
 - Funding of £288,441 to Hillcrest Housing Association towards flood prevention works at Baltic Mill, Arbroath
 - Funding of £10,400 towards the establishment of the new Trusted Trader Scheme.

8. OTHER IMPLICATIONS

8.1 Equalities

The SHIP as part of the LHS 2017-22 has had an Equalities Impact Assessment undertaken as per Appendix 1.

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. 230/19 – Housing Revenue Account Financial Plan 2019-23 – Communities Committee 13 August 2019
- Report No. 233/19 – Establishment of Empty Homes Grant Fund – Communities Committee 13 August 2019
- Report No. 47/19 – Housing Revenue Account Rent Setting and Budget Strategy 2018-23 – Communities Committee 12 February 2019
- Report No. 345/18 – Strategic Housing Investment Plan 2018/19-2023/24 – Communities Committee 13 November 2018

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List of Appendices: Appendix 1 - Strategic Housing Investment Plan 2020/21 – 2024/25
 Appendix 2 – SHIP Table 2020/21 – 2024/25