

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 19 JANUARY 2021

STRATEGIC HOUSING INVESTMENT PLAN 2021/22 – 2025/26

REPORT BY DIRECTOR OF COMMUNITIES

ABSTRACT

This report informs members on the Strategic Housing Investment Plan (SHIP) for 2021/22 – 2025/26 and proposals for the use of resources from the Affordable Housing Revenue Account (AHRA).

1. RECOMMENDATION

It is recommended that the Committee:

- (i) Approves the content of the SHIP 2021/22 – 2025/26 as detailed in **Appendix 1**.
- (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 In light of the ongoing pandemic, this year the Council has been asked to produce a 'light' SHIP which sets out investment priorities for the period 2021/22 – 2025/26, summarises any changes to existing priorities and outlines consultation undertaken with partners.

3.4 The Council was required to submit its SHIP to the Scottish Government by mid-December 2020. This is to be 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 2019/20, the Council and its Registered Social Landlord (RSL) partners delivered 122 affordable homes against a target of 120. This is a significant achievement for the Council and our partners considering the construction shutdown that came into effect before the end of the financial year. It is the second year in a row that the target has been exceeded.
- 4.2 Due to the pandemic, projects have been pushed back by around 6 months, however since construction was given the go ahead to restart, the Council and partners have made good progress in bringing projects back on stream and it is anticipated that the full funding allocation of £9.681m will be achieved in 2020/21 if no further issues are experienced within the sector.

5. THE STRATEGIC HOUSING INVESTMENT PLAN 2021/22 – 2025/26

- 5.1 The SHIP estimates that around 550 units could be delivered in the period to 2025/26, requiring subsidy of around £31M. At the time of writing no announcement had been made on the extent of funding to be made available to local authorities in 2021/22 and beyond. That means this light SHIP has been prepared with much less certainty over future funding than has been the case in recent years. The provision of multi-year funding agreements has been a major step forward in enabling local authorities and RSLs to forward plan large investment in affordable housing, particularly as many projects often take a number of years between inception and completion.
- 5.2 The Council has forward planned for investment of around £7M per annum in the first two years of the SHIP. This figure is lower than the current year Resource Planning Assumption (RPA), however it is known that some projects in the SHIP have flexibility which could allow spend to be brought forward if more funding is announced for Angus than is currently allocated within the Plan. In addition, the Council will consider 'off the shelf' purchases where appropriate. The SHIP and accompanying table are provided in **Appendix 1**.
- 5.3 The Council has maintained an ambitious new build programme and aims to deliver a programme of around 248 units over the lifetime of the SHIP. Funding in the region of around £37m has been allocated from the Housing Capital Expenditure Plan 2019/24 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 2020/21-2023/24 (report 43/20 refers) and subsequently updated Housing Revenue Account Financial Plan (report 240/20 refers), funding of £1.4m from the AHRA will be used to support the HRA Business Plan from 2020/21 to 2023/24. Members will receive updates on the use of this funding through the Housing Capital Monitoring Reports.
- 6.2 At 1st April 2020, the unused balance of income raised through Council Tax was £2,593,551 and the unused balance of developer contributions was £550,152. The total unused balance of funds in the AHRA at 1 April 2020 was therefore £3,143,703.
- 6.3 Outstanding commitments at 1 April 2020 amount to £2,395,570 leaving an uncommitted total balance of £748,133. This is before adding further Council Tax income that will be due for 2020/21 onwards and any further developer contributions that may become due.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications arising at this time as a result of the SHIP 2021/22-2025/26.
- 7.2 In terms of AHRA commitments, these are as follows:
- £35,000 per annum to part fund the Team Leader – Legal (formerly Senior Solicitor) in Legal Services and; £25,000 per annum to fund an Environmental Health Officer within Environmental and Consumer Protection Service. These are based on 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). Total commitment = £240,000.
 - £14,129 for consultancy fees in respect of Housing Need and Demand Assessment.

- £500,000 contribution to the Housing Revenue Account Financial Plan 20/21 and £300,000 per annum for the following 3 years (report 240/20 refers). Total commitment = £1,400,000.
- £120,000 to deliver the Empty Homes Loan Fund and Empty Homes Grant Fund (report 233/19 refers).
- £288,441 to Hillcrest Housing Association towards flood prevention works at Baltic Mill, Arbroath
- £333,000 to Caledonia Housing Association towards housing provision at The Gables, Forfar.

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. 240/20 – Housing Revenue Account Capital Plan 2020-24 – Communities Committee 29 September 2020
- Report No. 43/20 – Housing Revenue Account Rent Setting and Budget Strategy 2020/21-2023/24– Communities Committee 11 February 2019

REPORT AUTHOR: John Morrow. Service Leader - Housing

EMAIL DETAILS: communities@angus.gov.uk

List of Appendices: Appendix 1 - Strategic Housing Investment Plan 2021/22 – 2025/26