

**ANGUS COUNCIL**

**COMMUNITIES COMMITTEE – 23 NOVEMBER 2021**

**STRATEGIC HOUSING INVESTMENT PLAN 2022/23 – 2026/27**

**REPORT BY ALISON SMITH, INTERIM DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH**

**ABSTRACT**

This report informs members on the Strategic Housing Investment Plan (SHIP) for 2022/23 – 2026/27 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 2022/23 – 2026/27 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 COUNCIL PLAN**

2.1 This report contributes to the following outcomes:

- A reduced carbon footprint
- Increase the supply of affordable housing
- Supporting employment opportunities

**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 This year the Council has been asked to produce a full SHIP. 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 29 October 2021. This was 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 2020/21, the Council and its Registered Social Landlord (RSL) partners delivered 141 affordable homes against a target of 120. This is a significant achievement for the Council and our partners considering the disruption caused by the ongoing pandemic. It is the third year in a row that the target has been exceeded.
- 4.2 Due to the pandemic, projects had been pushed back by around 6 months, and although the Council and partners had made good progress in bringing projects back on stream it wasn't enough to claw back those lost months in a continuing challenging operating environment. We were able to spend 88% (£8.504m) of our full funding allocation of £9.681m.
- 4.3 The operating environment remains challenging due to the ongoing pandemic plus there are supply chain issues which are presenting both cost and time implications. Additionally, the Scottish Government has carried out a review of affordable housing investment benchmark levels. At this stage it is anticipated that the full funding allocation of £10.491m will be achieved in 2021/22 and will seek to work with partners flexibly to address any issues.
- 4.4 To assist the Council achieve the spend for 2021/22 an opportunity to purchase six three-bed units as shared equity, by the end of March 2022, is actively being explored in the North Housing Market Area as per the Housing Development Policy Framework, report 134/20 refers. If purchased, the units will be delivered through the Scottish Government New Supply Shared Equity Scheme (NSSE) and attract grant subsidy. The initial projected outlay from the Council is estimated at £1,231,440. As this will be delivered through NSSE the Council's outlay will be recovered through a combination of purchaser's equity stakes and grant subsidy. At this stage an 'in principle agreement' has been reached.
- 4.5 As part of the Tay Cities Deal, we will look to bring additionality to council projects through implementing enhanced design features which will be tested to support and inform the Council's transition towards net zero carbon emissions. Tay Cities funding will be drawn down where appropriate and a number of projects are being considered in terms of the best fit with the funding criteria and programme profile.

#### **5. THE STRATEGIC HOUSING INVESTMENT PLAN 2022/23 – 2026/27**

- 5.1 The SHIP estimates that around 775 units could be delivered in the period to 2026/27, requiring subsidy of around £51.7M. This year the Council has confirmed five-year Resource Planning Assumptions to year 2025/26 of this SHIP which has enabled certainty in terms of forward planning. The return of provision of multi-year funding agreements is to be welcomed and is 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. The SHIP and accompanying table are provided in Appendix 1 and 2.
- 5.2 The Council has maintained an ambitious new build programme and aims to deliver a programme of around 228 units over the lifetime of the SHIP.

#### **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 2021/22-2024/25 (report 25/21 refers) and subsequently updated Housing Revenue Account Capital Plan (report 308/21 refers), funding of £0.9m from the AHRA will be used to support the HRA Capital Plan from 2022/23 to 2024/25. Members will receive updates on the use of this funding through the Housing Capital Monitoring Reports.
- 6.2 At 1st April 2021, the unused balance of income raised through Council Tax was £2,594,286 and the unused balance of developer contributions was £351,902. The total unused balance of funds in the AHRA at 1 April 2021 was therefore £2,946,188
- 6.3 The commitments for 2021/22 amount to £1,184,856 leaving an uncommitted total balance of £1,761,332. This is before adding further Council Tax income that will be due for 2021/22 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 2022/23-2026/27.

7.2 Members are asked to note that should missives be agreed for the purchase of 6 units as shared equity as at 4.4, an initial financial outlay of £1,231,440 will be contained within the HRA Capital Plan.

7.3 In terms of the use of committed AHRA reserves in 2021/22, these are as follows:

Purpose	AHRA funding commitment (£)	Additional comments
Part funding of Team Leader, Legal Services	35,317	Report 345/18 refers. 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).
Environmental Health Officer, Environmental and Consumer Protection Services	24,139	
Housing Revenue Account Capital Plan contribution	300,000	Report 308/21 refers.
Empty Homes Loan Fund and Empty Homes Grant Fund	120,000	Report 233/19 refers.
Contribution towards Trusted Trader Scheme	10,400	The Angus Trusted Trader Scheme is a joint Council and Trading Standards initiative to help residents choose a reliable local trader. Traders have been vetted by Angus Trading Standards and the Trusted Trader scheme is supported by Police Scotland and Citizens Advice Scotland.
Contribution towards Supported Housing	695,000	Report 28/20 refers.
<b>TOTAL</b>	<b><u>1,184,856</u></b>	

## 8. EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment has been carried out and is attached.

**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. 308/21 – Housing Revenue Account Capital Plan 2020-25 – Communities Committee 28 September 2021
- Report No. 25/21 – Housing Revenue Account Rent Setting and Budget Strategy 2021/22-2024/25 – Communities Committee 9 February 2021
- Report No. 134/20 – Housing Development Policy Framework – Special Arrangements Committee 28 April 2020
- Report No. 233/19 – Establishment of Empty Homes Grant Fund – Communities Committee 13 August 2019

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List of Appendices:      Appendix 1 - Strategic Housing Investment Plan 2022/23 – 2026/27  
                                 Appendix 2 – SHIP Table 2022/23 – 2026/27  
                                 Appendix 3 - EIA