



Strategic Housing Investment Plan 2022 - 2027

1. Introduction

- 1.1 The Strategic Housing Investment Plan (SHIP) sets out the strategic policy approach by Aberdeenshire Council and its partners to delivering affordable housing in accordance with the Local Housing Strategy.
- 1.2 In line with Scottish Government guidance issued July 2021, this SHIP 2022 - 2027 sets out the strategic investment priorities for affordable housing over the 5 year period to achieve the outcomes as set out in the Local Housing Strategy. It also informs Scottish Government housing investment decisions including the Strategic Local Programme Agreement and Affordable Housing Supply Programme.
- 1.3 Essentially this SHIP
- Sets out investment priorities for affordable housing
 - Demonstrates how these will be delivered
 - Identifies the resources required to deliver these priorities
 - Enables the involvement of key partners
- 1.4 Aberdeenshire Council and Aberdeen City Council work closely together to support the Aberdeen City Region Deal agreed with the Scottish and UK Governments. Both Strategic Housing Investment Plans will be closely monitored jointly by both local authorities with the Scottish Government to maximise the potential investment into the North East of Scotland.
- 1.5 This SHIP will enable the delivery of high quality and energy efficient homes including specialist housing provision (and appropriate support) as well as assist in reducing fuel poverty and carbon emissions. It will also enable choice of tenure. Furthermore, it will aid house building across the Aberdeenshire area by supporting investment and creating employment in the house building sector and assist with initiatives such as modern apprenticeships. It also supports and contributes towards the delivery of the Scottish Government's Housing to 2040 vision.

2. Strategic Context

2.1 Local Housing Strategy

The SHIP is informed by the Local Housing Strategy 2018-2023 which set out Aberdeenshire Council's key strategic housing priorities and outcomes. The LHS was developed in partnership and through public consultation before it was approved by Communities Committee 21 December 2017. The LHS contributes to the delivery of the Council Plan and the Aberdeenshire's Local

Outcome Improvement Plan. Affordable housing cuts across the three pillars of Aberdeenshire Council's Strategic Priorities:-

Our People
Education
Health & Wellbeing

Our Environment
Infrastructure
Resilient
Communities

Our Economy
Economy & Enterprise
Estate Modernisation

The LHS is monitored and reviewed annually to ensure that it responds to changing pressures and new opportunities. The three outcomes which relate directly to this SHIP are:-

1) Affordable Housing - *People will have access to an increased supply of affordable housing.*

- 1) Increase the supply of social rented housing by 225 units per year.
- 2) Increase the supply of intermediate housing, including mid-market housing and affordable home ownership by 25 units per year.

This will primarily take the form of new build units. However, where appropriate partners will also seek to maximise delivery through the acquisition of 'second hand' stock and also seek to bring empty properties back into use through the rehabilitation of existing stock where appropriate and financially viable.

The Housing Need and Demand Assessment 2017 and Aberdeenshire Council's waiting list 2021 demonstrate housing need across all towns and villages within Aberdeenshire. Housing data, waiting lists, housing stock and relets, are analysed to highlight any settlements with increased pressure. These are highlighted in Table 1 below in accordance with the Housing Need and Demand Assessment 2017 subareas - Housing Market Areas - and are reflected in this SHIP's programme. It is important to note however, that inclusion in Table 1 below is not a prerequisite for the delivery of affordable housing, with opportunities outwith these towns actively pursued to meet identified local housing need as appropriate. As well as meeting housing need, it is acknowledged that housing development will also contribute to a range of strategic priorities in Aberdeenshire such as town centre regeneration, rural sustainment and strategic growth.

Table 1 - Aberdeen Housing Market Area	
High Priority	Medium Priority
Banchory	Balmedie
Blackburn	Kemnay
Ellon	Kintore
Inverurie	Newmachar
Newtonhill	Oldmeldrum
Portlethen	
Stonehaven	
Westhill	

Rural Housing Market Area	
High	Medium
Fraserburgh	Aboyne
Peterhead	Alford
	Ballater
	Banff
	Cruden Bay
	Huntly
	Insch
	Inverbervie
	Laurencekirk
	Macduff
	Mintlaw
	Turriff

Right House Sizes and Types in the Right Location

There is significant pressure upon 1 bedroom units, larger 3, 4 and 5 bedroom units along with particular needs housing stock. Latest evidence suggests that in some locations there may be an oversupply of 2 bed properties, in particular flats. This is reflected in homeless presentations where a significant majority require 1 bedroom properties and a very small minority require 2 bedroom properties. Furthermore, the Housing Need and Demand Assessment states that according to the 2014 household projections, there will be a 42% rise in the number of single-person households over the next 25 years. The recent implementation of the Choice Based Allocation system – Housing Online – will provide some further data in relation to areas of pressure, property sizes and types which will help shape and inform future affordable housing investment programmes.

Rapid Rehousing Transition Action Plan - Increasing the supply of affordable housing of an appropriate size and in the right locations will assist in meeting the Rapid Rehousing Transition Plan's strategic aims of homeless prevention, identifying permanent settled solutions quickly, ensuring that stays in temporary accommodation are minimised and that appropriate support is provided to enable tenancies to be sustained and break the cycle of homelessness.

2) Independent Living – *Enable people with an identified particular need to have access to appropriate affordable housing and support to allow them to sustain and improve their health to live as independently as possible.*

At least 15% of affordable new build development will be allocated to particular needs households.

A focus for 2020/2021 has been the implementation of an improved Strategic Framework - '**Planning and Delivery of Particular Needs Housing**'. Working in collaboration with our partners a '**Housing Requirements Planning Tool**' has ensured a clearer process for gathering the evidence base of housing need from colleagues in Aberdeenshire Health & Social Care Partnership (AHSCP). This in turn will feed into the SHIP and allow further investment in required suitable housing for both Local Authority and Registered Social

Landlord housing providers, whether that is mainstream housing or appropriate supported accommodation models of housing. As part of the tool, an **'Accommodation Specification Document'** has been devised to allow for improved design specification, provide an audit trail and to ensure that funding contributions are agreed across all parties. The ASD document has been well received by partners in Housing and AHSCP including Occupational Therapy staff. Furthermore a **'Pre-Nomination process'** has been formulated which ensures the involvement of all parties at the earliest stage as is possible and allows individual Clients' requirements to be met through the new build design process rather than retrospectively. The process provides opportunities for better design solutions and outcomes for PN clients as well as enhancing the extent of the aids and adaptations budget.

Extra care housing developments for Learning Disability Clients have been included in the SHIP for the Ellon and Peterhead areas and discussions are ongoing regarding the appropriate model of housing and specifications required.

Wheelchair Accessible Targets

Aberdeenshire Council have followed Scottish Government recommendations in committing to increase the supply of wheelchair accessible housing and introduced targets in 2019. As part of the target of 15% of all new affordable homes to be developed as PN housing, 10% is required to be wheelchair accessible, meantime we will encourage 10% of all new housing developments in the private sector on developments of 20 or more units to be wheelchair accessible.

Within the affordable housing new build completions, during 2020/2021 a total of 43 units, 27% of all new build homes were built for PN clients of which 11 units, 7% were fully wheelchair accessible (as set out in section 3 of the Housing for Varying Needs standards).

For working towards meeting the targets for development in the private sector we support the Scottish Government's approach as set out in the National Planning Framework 4 'NP4 position statement' to working with planners and private developers to increase the delivery of all-tenure wheelchair housing targets. However, the recording and monitoring of this data is challenging and further discussions are required with planning colleagues to ensure that we have a robust policy and database in place to be able to implement and monitor this effectively.

Adaptations

For 2020/2021, restrictions imposed during the Covid-19 pandemic and subsequent lockdowns impacted upon the delivery of adaptations and the time taken to deliver these. However, the Major Adaptations Tasking & Co-ordinating Group have continued to meet monthly and proactively work to problem-solve any blocks to delays in adaptations. Details are available in Table 2 below:-

Table 2	Local Authority		Private Sector	
	Number of Adaptations	Average days between assessment of need and completion	Number of Adaptations	Average days between assessment of need and completion
2018/19	197	100	228	137
2019/20	146	108	199	119
2020/21	50	119	122	151

The Working Group for adaptations which consists of colleagues from Housing, Care & Repair, RSL partners and Occupational Therapy Team Managers has been impacted by the Covid-19 situation and it is intended that the group will re-evaluate the current situation and the work required going forward following this phase. The Scottish Government focus on streamlining and accelerating the adaptations system as outlined in its strategy 'Housing to 2040' (March 2021) is welcomed and Aberdeenshire are in a strong position to engage in the work going forward.

Housing Support services

Investment continues from Aberdeenshire Council for the Disabled Persons Housing Service 'Houseability' who additionally receive funding from Aberdeenshire Health & Social Care Partnership (AHSCP). Houseability provide support and assistance for people with disabilities and those living with long-term conditions. Assistance is provided individually for each Clients particular needs consequently seeking to reduce health inequalities and providing the required support to enable Clients to have access to appropriate independent living options. For 2020/21, Houseability adapted their service to continue to support Clients throughout the Covid-19 pandemic and lockdown situations. 156 Clients accessed the service and 123 received advocacy. 8 Clients in hospital were supported to enable quicker hospital discharge and to ensure their housing needs were met following discharge.

3) Minority Ethnic Communities – *Minority Ethnic Communities, including Gypsy/Travellers, will have access to appropriate land, housing and support encouraging social integration.*

Provision of well-maintained permanent and stopover sites that meet the needs of the Gypsy/Traveller community.

There are two Aberdeenshire Council Gypsy/Traveller Sites; Aikey Brae, Stopover Site at Maud which is accessible throughout the year and Greenbanks Travellers Site in Banff, which has recently been upgraded in line with Scottish Government minimum standards, is open on a seasonal basis from April to September. A programme of works is currently being

undertaken at both sites to enhance the existing facilities through Scottish Government funding.

There is also a range of private site provision including sites at Boyndie, New Pitsligo, Peterhead, Boddam, Kemnay and North Esk, with support and assistance available through the Gypsy/Traveller Liaison Officer. Furthermore, support is also available to Gypsy/Travellers who would like to develop private sites, as well as providing support for those who wish to access housing services.

Four sites are identified under the current Local Development Plan, although it is unlikely that these sites will be developed in the short term. However, officers continue to investigate other opportunities to take forward delivery through the Site Provision Strategy, which is currently under review.

Aberdeenshire Council is also a member of COSLA's 'Negotiated Stopping group which is conducting Negotiated Stopping pilots across Scotland.

Aberdeenshire Council will continue to identify barriers in meeting the housing needs of the minority ethnic community, including migrant workers, refugees and asylum seekers and provide appropriate housing information and advice, particularly in light of the current geo-political situation in Asia whereby Government have pledged to resettle 20,000 Afghans in the UK over the next five years. It will also work towards ensuring minority ethnic people living in the private rented sector have accommodation that meets their needs.

2.2 **Child Poverty (Scotland) Act 2017**

Aberdeenshire's Child Poverty Action Plan identifies that child poverty after housing costs is highest in the Banff and Buchan and Buchan areas. The SHIP identifies up to 531 affordable homes to be developed in these settlements, of which 483 will be targeted for social rent. These properties will meet the energy efficiency standard for social housing and will complement the significant investment from the Council and local RSLs to meet the standard for its existing stock. The Child Poverty Action Plan also highlighted the increased inequalities that those with a disability or medical condition have faced as a result of Covid-19. The commitment in the SHIP to support independent living by ensuring that a minimum of 15% of new affordable homes are suitable for those with particular needs will contribute towards reducing these inequalities. These combined efforts across new build, fuel poverty and independent living will help to close the inequalities gap and improve the life chances for children and their families living in poverty.

2.3 **Housing Need and Demand Assessment**

The Housing Need and Demand Assessment 2017 informs the Aberdeen City and Shire Strategic Development Plan, the Local Development Plan as well as the Local Housing Strategy. The assessment projects need and demand over three different scenarios up to 2039. In setting a housing supply target, local authorities must take account of economic and market factors. Influences and challenges include the build out rate of developers, previous levels of affordable housing delivery and the availability of resources. Based on the assessment and the factors above, the housing supply target for

affordable housing for Aberdeenshire has been revised to 250 units per year; 225 social rent and 25 intermediate.

2.4 Housing Market

The local housing market still has both sales and rental market showing a continuing negative trend for five yearly house prices and rental values (ASPC and Citylets). However, as we ease out of lockdown, recent indices suggests that we may be seeing a recovery with increased activity in terms of listings and transactions having an upwards effect on prices. Furthermore, the number of new build completions would also appear to be picking up, with 1177 new build completions across all tenures for 2019-20 compared to 1041 for 2018-19 (Scottish Government), giving some optimism that the recovery will continue. At this time, it is very difficult to accurately gauge the impact of the easing of Covid 19 restrictions, but anecdotal evidence to date suggests that there are challenges around Health & Safety; pace of construction on site; supply chain; availability of contractors/sub-contractors; availability of both corporate and individual finance; and a drop in oil and gas revenues. This is particularly significant in relation to contributions from the private development industry to affordable housing through the Local Development Plan’s Affordable Housing Policy whereby “new housing development must contain 25% affordable housing”. A high proportion – around 66% - of current and future affordable housing development is or will be as a consequence of this policy. As such, it will be dictated by the development industry’s build-out rate, intrinsically linked to the performance of the economy and the local housing market. This current market trend will be monitored in terms of the potential impact on the deliverability and viability of affordable housing developments, across all tenures, particularly in terms of alignment with Scottish Government funding.

3. Delivery

3.1 Affordable Housing Completions

During the period April 2020 to March 2021, 161 new affordable supply homes have been completed across Aberdeenshire across all partners: 143 new homes for social rent of which 30 were delivered by Aberdeenshire Council and 113 by our RSL partners; and 1 for low cost shared equity. There were also 17 acquisitions for social rent. Of these units, 43 are suitable for particular needs including 10 suitable for wheelchair users. A further 10 households accessed affordable home ownership through the ‘resale’ of existing low cost shared equity properties. Table 3 below details completions by provider, tenure and property size. Meantime work is progressing on site for 312 units of which 67 are being delivered through the Council’s New Build programme, the remaining 245 through our RSL partners. This includes developments across the following locations Fraserburgh, Banff, Peterhead, Newburgh, Kintore, Inch, Ballater, Banchory, Kincardine O’Neil, Stonehaven, Newtonhill Laurencekirk, Marykirk and St Cyrus. Of these 312 units 79 are suitable for particular needs including 23 for wheelchair users.

Table 3		Aberdeenshire					20/21 Completions by House Size	
Tenure		1 bed	2 bed	3 bed	4 bed	5 bed	Totals	

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Aberdeenshire Council - social rent	16	3	7	3	1	30
Registered Social Landlord - social rent	24	35	43	9	2	113
Acquisition by Aberdeenshire Council - social rent	8	5	4	0	0	17
Acquisition by RSL - social rent	0	0	0	0	0	0
Mid Market Rent - Create Homes	0	0	0	0	0	0
Mid Market Rent - Registered Social Landlords	0	0	0	0	0	0
Low Cost Shared Equity - New Build	0	1	0	0	0	1
Low Cost Shared Equity - Resales	0	4	6	0	0	10
Total	48	48	60	12	3	171

3.2 SHIP Programme Priorities

Aberdeenshire Council has developed a programme of affordable housing which provides a range of tenures from renting to home ownership, delivered by a range of partners including Registered Social Landlords, private landlords and private developers, effectively seeking to maximise all available funding streams. This programme has been planned so that each development has been placed in the actual year that it could start if resources were available; developments are in the main within allocated sites within the Local Development Plan with the action programme a key tool in driving delivery and addressing any identified constraints. Furthermore, the Affordable Housing Hub seeks to accelerate the delivery of affordable housing through a collaborative and dedicated approach to identifying and resolving any planning or delivery issues timeously. Within each year, the developments are prioritised as high, medium, and low in terms of addressing housing need as set out in Table 1 above. Potentially the SHIP could deliver 2184 new affordable homes; a summary of the SHIP is outlined in Table 3 below.

3.3 Affordable Housing Supply Programme

In terms of the affordable housing supply programme the SHIP has been drafted in accordance with Scottish Government guidance. Site starts will be subject to the availability of funding from Scottish Government and Aberdeenshire Council's Housing Revenue Account plan as well as RSLs' business plans and are detailed below in Table 4, along with the Resource Planning Assumptions as advised by Scottish Government. An Affordable Housing Investment Benchmark Working Group has recently been established, comprising Scottish Government, Convention of Scottish Local Authorities, Association of Local Authority Chief Housing Officers, Glasgow and West of Scotland Forum of Housing Associations and Scottish Federation of Housing Associations. This group is currently reviewing the affordable housing grant framework including grant benchmarks. Following this review, guidance will be issued which will govern the level of grant available per unit/tenure/provider.

Table 4 Strategic Housing Investment Plan 2022-2027 Potential Site Starts								
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
22/23								
Council - Social Rent	85	80	93	0	16	37	311	
RSL - Social Rent	0	5	88	156	38	84	371	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	25	15	15	55	
RSL Low Cost Shared Equity	0	0	0	0	15	8	23	
Aberdeenshire Low Cost Shared Equity	5	0	5	2	0	20	32	
Total	90	85	186	183	84	164	792	£26.675m
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
23/24								
Council - Social Rent	0	49	0	0	0	0	49	
RSL - Social Rent	12	22	162	50	15	38	299	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	25	8	0	33	
RSL Low Cost Shared Equity	0	0	0	0	0	0	0	
Aberdeenshire Low Cost Shared Equity	4	20	15	4	7	9	59	
Total	16	91	177	79	30	47	440	£27.596m
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
24/25								
Council - Social Rent	0	28	0	0	6	30	64	
RSL - Social Rent	0	60	46	65	79	21	271	

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Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	29	10	39	
RSL Low Cost Shared Equity	0	0	0	0	10	6	16	
Aberdeenshire Low Cost Shared Equity	10	5	1	0	5	3	24	
Total	10	93	47	65	129	70	414	£27.693m
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
25/26								
Council - Social Rent	20	4	0	0	0	0	24	
RSL - Social Rent	0	52	64	56	42	0	214	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	18	0	18	
RSL Low Cost Shared Equity	0	0	0	0	0	0	0	
Aberdeenshire Low Cost Shared Equity	1	0	3	29	10	3	46	
Total	21	56	67	85	70	3	302	£28.152m
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
26/27								
Council - Social Rent	0	0	70	0	0	0	70	
RSL - Social Rent	26	40	18	49	12	0	145	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	12	0	12	
RSL Low Cost Shared Equity	0	0	0	0	0	0	0	
Aberdeenshire Low Cost Shared Equity	3	0	0	0	6	0	9	
Total	29	40	88	49	30	0	236	To be Advised

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Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
22/27								
Council - Social Rent	105	161	163	0	22	67	518	
RSL - Social Rent	38	179	378	376	186	143	1300	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	50	82	25	157	
RSL Low Cost Shared Equity	0	0	0	0	25	14	39	
Aberdeenshire Low Cost Shared Equity	23	25	24	35	28	35	170	
Total	166	365	565	461	343	284	2184	£111.116m

3.4 The Council and Registered Social Landlords' new build programmes seek to maximise the delivery of affordable housing through all available funding streams. Partners will continue to investigate and implement new and innovative delivery mechanisms. A small number of landbank sites held by partners will be developed as appropriate; however as noted previously, a significant proportion of current and future programmes will be as a consequence of the Affordable Housing Policy. As such, timing and alignment with Scottish Government funding will be fundamental to the deliverability of our future programme.

3.5 Affordable Housing Reserve Fund (Capital Plan)

In order to enable and support the delivery of affordable housing, Aberdeenshire Council have made available a dedicated funding resource, to supplement, where appropriate, existing funding streams. Essentially this funding will bridge the gap between total development costs and existing funding stream limitations with potential projects subject to scrutiny and assessment to ensure Best Value. In these instances funding will be awarded where it is considered that without 'gap funding' these developments would not otherwise proceed. Previously £842,000 has been spent supporting the delivery of 96 new affordable homes in Peterhead, Inverurie, Huntly and Turriff. £1.35million has been committed to 144 units, across 6 developments which are currently/imminently on site, with a further £1.65million allocated in principle to several developments across Aberdeenshire which, subject to appropriate approvals and consents, will enable the further delivery of a further 206 units. Meantime future projects will be considered as and when appropriate.

3.6 2nd Homes Council Tax and Empty Homes

During 20/21 £1.985million was collected through 2nd Homes Council Tax and these monies continue to support the Council's New Build programme, with

67 units currently on site. Future funds are fully committed to the Council's New Build programme for the period up to 2024/25 in order to optimise capacity within the HRA. Empty homes revenues are not currently used to support the delivery of affordable housing or bringing empty properties back into use.

As part of our collaborative approach to bringing empty properties back into use, during 20/21 Aberdeenshire Council have purchased 9 empty properties, delivered in partnership with a developer 1 Low Cost Shared Equity property and converted two empty buildings into 11 new affordable homes. This has resulted in the delivery of 20 new energy efficient affordable homes for social rent and one for affordable home ownership; not only does this assist in meeting housing need but also supports wider aims such as regeneration, community safety and carbon neutrality for example. Furthermore, our dedicated emptyhomes@aberdeenshire.gov.uk service provides advice and information to individuals who are looking for help to bring their empty property back into use. During 2020/2021, 58 enquiries were received:-

- 9 seeking advice re buying and or selling including the Matchmakers scheme
- 1 seeking advice re renting
- 3 reporting an empty property
- 39 funding and financial related queries
- 6 general queries

3.7 Developer Obligations

During 2020/2021 there were 161 new build affordable housing completions in Aberdeenshire as detailed in Table 5 below.

Number of Completions	S75	Non S75	Total
Scottish Government Funding	86	74	160
Without Scottish Government Funding	1	0	1
Total	87	74	161

Of these completions 87 were delivered through S75 - Affordable Housing policy - land and/or commuted sums, with all of these units also supported by Scottish Government funding through the Affordable Housing Supply Programme. The remaining 73 units were not delivered through the Affordable Housing policy but did receive Scottish Government funding.

Through the Local Development Plan's Affordable Housing Policy, commuted payments are in exceptional circumstances received in lieu of on-site affordable housing provision. Table 6 below identifies funds received.

Catchment	Total cash	Paid in	Committed	Expended	Balance
Aberdeenshire	£238,621	£239,971	£1,750	£238,221	£0

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Aboyne	£448,574	£439,192	£56,696	£262,700	£119,796
Alford	£557,766	£525,685	£0	£383,271	£142,414
Banchory	£787,637	£804,974	£0	£552,203	£252,771
Banff	£644,808	£726,465	£0	£445,366	£281,099
Ellon	£643,351	£556,979	£106,699	£420,280	£30,000
Fraserburgh	£637,482	£625,544	£122,300	£495,272	£7,972
Huntly	£647,935	£603,980	£0	£603,512	£468
Inverurie	£1,504,969	£1,498,292	£0	£1,449,639	£48,653
Kemnay	£756,104	£797,890	£0	£733,321	£64,569
Mackie (Stonehaven)	£832,445	£829,272	£318,329	£457,227	£53,716
Mearns (Laurencekirk)	£382,569	£373,593	£0	£359,702	£13,891
Oldmeldrum	£1,333,880	£1,305,583	£121,866	£1,183,717	£0
Mintlaw	£581,406	£518,054	£244,572	£273,482	£0
Peterhead	£428,622	£437,372	£0	£437,372	£0
Portlethen	£163,455	£155,072	£0	£155,072	£0
Turriff	£583,643	£573,328	£0	£565,828	£7,500
Westhill	£94,240	£94,240	£0	£94,240	£0
Other Towns/Areas	£214,850	£214,850	£39,350	£121,550	£53,950
LCHO Resales		£1,182,305			£1,182,305
LCHO Staircasing		£244,034			£244,034
Total	£11,482,357	£12,746,675	£1,011,562	£9,231,975	£2,503,138

During 2020/21, £98,398 of this funding stream has assisted in the acquisition of 4 purchases from the open market to be brought into use as social rent as part of the Council's stock. Priorities for spend of commuted payments are:-

- 1) Council New Build Programme.
- 2) Enabling Registered Social Landlord development programme.
- 3) Enabling empty properties to be brought back into use.
- 4) Enabling delivery of affordable housing through private estates and community groups.
- 5) Purchase of open market housing for use as affordable housing; either for mainstream or temporary accommodation subject to identified housing need.
- 6) Particular needs adaptations.

3.8 Delivery Models

Aberdeenshire Council and its partners will continue to work with Scottish Government to support the delivery of the Housing to 2040 vision by exploring new delivery models for affordable housing. Officers have previously assessed the UK and Europe for best practice in delivery models. The Council will also work with the Scottish Government to explore the potential for new business models and greater use of offsite construction. The following models of affordable housing are currently being delivered in Aberdeenshire.

3.8.1 Low Cost Shared Equity

Through the Local Development Plan's Affordable Housing Policy, Aberdeenshire Council, in partnership with private developers, deliver low cost homes for sale in the form of shared equity through S75 agreements. The Deed of Conditions ensures that properties remain affordable and providing an element of control over future sales price in the event that any properties are sold. This unsubsidised affordable housing tenure has proved successful with 372 properties sold mainly to first time buyers since 2008, with the delivery rate recently having slowed in alignment with housing market activity. Of these properties, 82 have been resold.

3.8.2 NHT Council Variant

Create Homes Aberdeenshire (CHA) LLP, the partnership between Aberdeenshire Council and the Scottish Futures Trust Limited, became a registered company in 2015, with the backing of the Scottish Government. With an agreed facility for up to £20m borrowing through Aberdeenshire Council, it delivers mid-market rented accommodation across the shire. CHA has acquired 51 units across four developments. This model enables the delivery of affordable housing without the requirement for Scottish Government grant whilst maintaining a neutral impact on the Housing Revenue Account. Further opportunities continue to be explored and assessed with projects progressing where appropriate subject to viability and consents.

3.8.3 Open Market Shared Equity

During 2020-2021 in Aberdeenshire, there were 175 applications to the Scottish Government's Open Market Shared Equity Scheme (OMSE) managed by LINK Housing. 158 of those were approved and received passport letters. There were 116 sales and 41 expired passports. The remaining live passports at the end of March were carried over into 2021-2022.

3.8.4 Help to Buy

Grampian Housing Association administered the Scottish Government's Help To Buy scheme across the Grampian area up to 31st March 2021, with LINK Housing administering the scheme from 1st April 2021. During 2020 – 2021 thirty-two households have purchased properties in Aberdeenshire with the main fund closing on 5th February 2021.

3.8.5 Rural Housing Fund

Scottish Government's Rural Housing Fund aims to increase the availability of affordable housing for rent and sale in rural areas through grants or loans. It is open to a wide range of organisations and seeks to empower communities

by helping them to meet local housing need. This funding stream is particularly relevant in predominantly rural Aberdeenshire. In Braemar, a community group have accessed feasibility funding and have subsequently secured further funding from other funding streams; employed a part-time project coordinator; and submitted a planning application for a proposal for 15 units with a view to securing funding from the main Rural Housing Fund. A community group in Tarland have accessed feasibility funding and are currently assessing potential housing sites with a view to accessing the main fund subject to identifying a suitable site. Aberdeenshire Council will continue to promote this scheme assisting and providing guidance where appropriate.

3.8.6 Procurement

With regards to procurement, in order to maximise the delivery of affordable housing, Aberdeenshire Council is a funding member of the Scotland Xcel New Build Residential Framework which was launched 26th August 2019. Our current contract expires 3rd July 2022 with an option to extend to 31st July 2023. This framework should assist in the delivery of the Strategic Housing Investment Plan 2022 – 2027 by accelerating the process, as well as freeing up resources and finances that can be invested in employment initiatives, deliver community benefits and reduce environmental impact. However, it is important to note that the construction industry is currently experiencing an extremely challenging period. Covid restrictions and Brexit has led to substantial material cost increases, between 10% to as much as 40% in some instances. There are also labour shortages across all trades which in turn is driving up tender prices. During the procurement process, because of the points mentioned above, tenderers are reluctant to hold their tender prices for as long as prescribed due to the volatile market conditions. This is leading to a reduction in competitive tenders being received. Officers are monitoring this closely and are taking appropriate action to minimise any potential risks to the affordable housing delivery programme.

4. Consultation

- 4.1 This SHIP is produced using the existing partnership approach currently adopted within the Local Housing Strategy; a multi-agency Housing Strategy Group, an Affordable Housing Forum and an Affordable Housing Delivery Team which all meet on a regular basis. These enable a shared understanding of the issues and challenges and helped shape and inform the agreed Local Housing Strategy as well as inform the SHIP.
- 4.2 Further to the public engagement on the development of the Local Housing Strategy, a number of consultations have taken place to inform this SHIP. These include:
- Discussions with Registered Social Landlord partners, private developers and other services including Planning, Health & Social Care and Property.
 - Tenant consultation via a live Tenant Engagement Event and Engage Aberdeenshire – Aberdeenshire Council's public consultation web portal.

4.3 This SHIP was also considered and commented upon by the six Area Committees and will be reported to Communities Committee 9th December 2021 for approval.

5. **Equalities**

5.1 An Integrated Impact Assessment has been carried out and is included as additional information. Positive impacts have been identified and these link clearly to the strategic outcomes of the Local Housing Strategy as outlined above at 2.1 Local Housing Strategy.

6. **Strategic Environmental Assessment**

6.1 A Pre-Screening report was submitted to the SEA Gateway stating that a Strategic Environmental Assessment is not required for the SHIP as it will have no or minimal environmental effects. This has been accepted by the consultation authorities.

7. **Outcome**

7.1 The main outcome of this SHIP to enable the delivery of high quality, energy efficient housing. This will be done across a variety of tenures whilst maximising a range of funding streams and delivery models.