

Strategic Housing Investment Plan 2024 – 2029

1. Introduction

- 1.1 The Strategic Housing Investment Plan (SHIP) sets out the strategic 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 June 2023, this SHIP 2024 - 2029 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 are closely monitored 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 with appropriate support, as well as assist in reducing fuel poverty and carbon emissions whilst adopting place making principles. 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, whilst acknowledging the key issues and challenges within the recently published SOLACE report July 2023.

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
Learning for Life
Health & Wellbeing

Our Environment
Climate Change
Resilient Communities

Our Economy
Economic Growth
Infrastructure & Public Assets

2.1.1 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:-

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.

2.1.2 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. There are several factors which will determine the suitability of properties, both for acquisition and empty homes, and these include housing need; costs; financial viability across the short to long term; and ownership of adjacent properties for example.

2.1.3 The Housing Need and Demand Assessment 2017 and Aberdeenshire Council's waiting list 2023 demonstrate housing need across Aberdeenshire. The Housing Need and Demand Assessment 2023 is currently being drafted and once approved will inform future SHIPs. Housing data, waiting lists, housing stock and relets, are also 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 - Settlements with Increased Housing Pressure	
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

2.1.4 **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 continues to suggest 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, with 68.4% of homeless presentations from single person households during 22/23. Furthermore, the Housing Need and Demand Assessment 2017 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. Housing Online is Aberdeenshire Council's online portal which allows people to apply and register an interest on vacant properties using a Choice Based Lettings (CBL) system. The majority of properties are advertised through the portal which was introduced in August 2021. Data from CBL shows areas of demand based on current turnover with results from 2022/23 further confirming the pressures on 1 bedroom and 4 bedroom units; 1 bedroom, mainstream properties received 65 times the number of bids per number of vacancies demonstrating the pressure on units of this size and the ability to re-house single person homeless households, whilst a low turnaround of 4 bedroom, mainstream properties – only 8 within the year - resulted in high numbers of bids being placed for each property. Where there is low or little turnover, potential areas with housing need can also be identified as the turnaround does not allow for applicants to be rehoused quickly in these areas. The CBL data also shows that areas of high pressure and low turnaround across all property sizes, have the highest level of bids, up to 157 per property. The continued assessment of CBL activity will allow need and demand to be continuously measured to monitor trends as more comparable data becomes available to further shape and inform future affordable housing investment programmes.

2.1.5 **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.

2.1.6 **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.

The SHIP continues to support independent living with the delivery of projects for particular needs clients. Collaboration between Housing and Aberdeenshire Health & Social Care Partnership (AHSCP) colleagues enables individuals to live in the community with appropriate housing and support.

Work continues with Aberdeenshire Health & Social Care Partnership (AHSCP) colleagues on evidencing housing requirements for learning disability clients, complex care clients and clients with mental health issues. The 'Housing Requirements Planning Tool' indicates that there are 134 Clients for learning disability and complex care, with the majority requiring 1 bedroomed properties (96). There is also a significant requirement for 2 bedroomed properties (38), in particular for complex care clients including clients currently housed 'Out of area' who require overnight support. We continue to explore appropriate models of housing with our AHSCP colleagues and both Extra Care housing and core and cluster developments have been identified as suitable and positive models which can provide appropriate housing, care and support. The areas identified as pressure points for the SHIP 2024-2029 are Peterhead, Inverurie, Ellon and Stonehaven. The evidence base for clients with mental health issues identifies 37 clients, similar to the other particular needs client groups, in that the majority require 1 bed properties, either mainstream, extra care housing or 4 in a block accommodation, all with appropriate support and care, with the areas identified as pressure points being Ellon, Peterhead, Fraserburgh and Banff. These details will shape and inform future new build projects subject to securing appropriate approvals and funding.

A Housing Forum has also been created to ensure as early as possible consideration of housing requirements to allow appropriate planning for both existing housing resources by Housing Options staff, as well as potential new build projects.

2.1.7 Wheelchair Accessible Targets

As part of the target of 15% of all new affordable homes to be developed as Particular Needs 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. The following completions, Table 2, have been recorded since introducing the targets in 2019.

Table 2 - Number of New Affordable Homes suitable for Particular Needs including Wheelchair Accessible					
	All Affordable Units	Particular Needs		Wheelchair Accessible	
Year		Number of Units	%	Number of Units	%
2020/2021	161	43	27	10	6
2021/2022	209	69	33	22	11
2022/2023	196	60	31	26	13

Aberdeenshire currently have approximately 148 applicants waiting for wheelchair accessible properties. Work is presently being carried out by Aberdeenshire Council along with Aberdeen City Council for the City and Aberdeenshire Housing Need and Demand Assessment (2023) to identify the need for fully wheelchair accessible housing. The 'Still Minding the Step' report by Horizon Housing suggests that there is little evidence of private developers taking steps to meet the demand of wheelchair users in their housing provision. The report also highlights that the Scottish Government does not publish data in this area therefore obtaining an accurate number of wheelchair accessible properties in the private sector is difficult. Nevertheless, Aberdeenshire Council has adopted the recommendation from the Horizon Housing report and Scottish Government that 10% of all new housing supply should be wheelchair accessible and will continue to work with planners and developers to increase the delivery of wheelchair accessible targets across all tenures of housing.

2.1.8 Adaptations

Adaptations play an important role in ensuring that people have housing that best suits their needs and allows them to maintain their independence and improve their wellbeing outcomes. Aberdeenshire Council Adaptations Group includes partners from Housing, Care & Repair, Registered Social Landlords, and Occupational Therapy Team Managers continue to streamline and improve adaptations services and delivery, providing a person-centred and tenure-neutral approach in line with Scottish Government's guidance on Equipment and Adaptations. Table 3 below demonstrates the number of adaptations numbers during the last three years.

Table 3 - Number of Adaptations and Average Number of Days between Assessment of Need and Completion of Adaptation by Housing Tenure				
	Local Authority		Private Sector	
Year	Number of Adaptations	Average days between assessment of need and completion	Number of Adaptations	Average days between assessment of need and completion
2020/21	50	119	122	151
2021/22	121	81	228	145
2022/23	97	80	212	152

2.1.9 Housing Support services

Houseability – Disabled Persons Housing Service - provide support and assistance for people with disabilities and those living with long-term conditions. Assistance is provided individually for each client’s particular needs to reduce health inequalities by providing the required support to enable clients to have access to appropriate independent living options. The contract for Houseability has been extended for 2 years until March 2025 and additionally, Houseability receive funding from Aberdeenshire Health & Social Care Partnership.

During 2022/23, Houseability had 311 enquiries, supporting 144 clients of which 141 received advocacy. A further 17 clients in hospital were supported to enable quicker hospital discharge to ensure their housing needs were met following discharge. Houseability have noted over the course of the last few years that clients have increasingly more complex health issues and situations with the service adapting to ensure time is spent appropriately for each client’s situation. This includes the provision of a variety of methods for engaging with clients such as home visits, telephone and skype consultations to ensure an efficient and effective service.

2.1.10 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.

Aberdeenshire Council has a Gypsy/Traveller Sub Committee consisting of members, officers, and partners. The outcomes in the Gypsy/Traveller Sub Committee Action Plan reflect those outcomes in the Scottish Government Action Plan, 'Improving the lives of Gypsy/Travellers:2019-2021' to:

- Provide more and better accommodation.
- Improve access to services.
- Improve incomes in and out of work.
- Tackle Racism and Discrimination.
- Improve Gypsy/Traveller Representation.

There are two Gypsy/Traveller Sites managed by Aberdeenshire Council.

Aikey Brae, Stopover Site at Maud, Peterhead, consists of 10 pitches where each pitch has an electric pillar and a chemical toilet with water available from communal standpipes/taps. It is accessible throughout the year with the length of stay on site negotiable in discussion with the Gypsy/Traveller Liaison Officer, who manages the site. Extensive consultation with Gypsy/Travellers has highlighted a desire for improved facilities, however an initial bid to Scottish Government's Gypsy Traveller Accommodation Fund for funding was unsuccessful, but it is hoped that a further bid can be approved in future.

Upgraded in 2020/2021, Greenbanks Travellers Site in Banff has 20 stances each with an amenity chalet with access to electric, a separate toilet, shower and plumbing for a washing machine. 20 stances are available for occupation from April to the end of October and since 2021, five stances have been made available for occupation throughout the year.

Following consultation with members of the Gypsy/Traveller community, a programme of works was undertaken at both Aikey Brae and Greenbanks, during 2021/2022, using Aberdeenshire Council's funding allocation from Scottish Government '£2m Additional Funding for Public Sector Gypsy/Traveller Sites, Over and Above the Minimum Standards.'

There is also a range of private site provision throughout Aberdeenshire. The Gypsy/Traveller Liaison Officer provides support to Gypsy/Travellers who would like to develop private sites, as well as support for those who wish to access housing services.

Three potential sites are identified under the Local Development Plan (2023), but it is unlikely that these sites will be developed in the short term. Meantime officers continue to investigate other opportunities to take forward delivery through the Aberdeenshire Gypsy/Traveller Site Provision Strategy 2021-2026.

Aberdeenshire Council will continue to identify barriers in meeting the housing needs of the minority ethnic community, including migrant workers, refugees and asylum seekers, providing appropriate housing information and advice. Aberdeenshire Council is also working towards ensuring minority ethnic people living in the private rented sector have accommodation that meets their needs. Aberdeenshire Council has been responding to the urgent need to grant Ukrainians safety and sanctuary. Aberdeenshire New Scots' Integration Strategy aim is to enable refugees to integrate from day of arrival, with social housing across both Aberdeenshire Council and Registered Social Landlords being utilised to provide permanency. There are now well-established New Scots communities in the North East of Scotland. Furthermore 500 displaced Ukrainians have been resettled via Homes for Ukraine, Scottish Super Sponsor and Family Visa Schemes and two Aberdeenshire Welcome Hub Hotels provide short term accommodation for new arrivals.

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 524 affordable homes to be developed in the settlements within these areas, of which 485 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 face post 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. The Tackling Poverty and Inequalities group also recognises the challenges posed by the rapid rise in the cost of living for people in Aberdeenshire with a view to taking action to mitigate the impact upon households with regards to housing costs, fuel poverty, food and fuel resilience. These combined efforts across new build, fuel poverty and independent living will help to reduce costs and close the inequalities gap and improve the life chances for children and households 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 are 250 units per year; 225 social rent and 25 intermediate. Meantime as noted above in 2.1.3 work has commenced on a new Housing Need and Demand Assessment which once approved will inform the next Strategic Housing Investment Plan as well the Local Housing Strategy and Local Development Plan.

2.4 Housing Market

Whilst house prices in Aberdeenshire are still above the Scottish average, since 2016, this gap has been narrowing as a consequence of the downturn in the oil and gas sector and impact of Covid 19 restrictions. The Aberdeenshire average house price is £226,113 compared to a Scottish average of £217,766 as at June 2023 (Registers of Scotland). In terms of the number of residential sales recent data from ASPC for Q2 2023 shows a decrease of -14.9% in the number of sales compared to the same quarter in 2022. This might indicate that the local housing market is feeling the strain of the general economic background, with interest rates at levels not seen for some time, albeit it appears that inflation is starting to gradually reduce and energy prices have come down. In terms of the private rented sector, Citylets data reports that after a protracted period of rent declines and stagnation, Aberdeen recorded growth above 10% for the second consecutive quarter seeing rents starting to head back to parity with Citylets Index 2008 base. However, adjusted for inflation rents remain significantly lower in real terms, with the Aberdeen average rental of £798 per calendar month compared to the Scottish average of £1007. With regards to the number of new build completions, whilst there has been a 7% decrease in Aberdeenshire over the period 2021-2022 (1,186) to 2022-2023 (1,013), likely in response to the challenging economic climate, this level of activity is in line with levels experienced 2017-2018 (Scottish Government). As indicated there has been a dramatic increase in interest rates from 0.1% in November 2021 to 5.25% in July 2023 and this has a significant impact on borrowing and subsequently, the affordability of construction projects and within the mortgage market. During 2023 market intelligence and Building Cost Information Service suggests tender price increases of 2.5%-3.5%, which is considerably lower than the previous two years whereby tenders returns were subject to increases of around 30-40%, with some projects even higher than that. However, it is important to note this increase of 2.5%-3.5% is in addition to the higher value increases experienced in the previous two years. Recently contractors on average are holding their tender prices for about 60 days. This tender validity period has increased over the last 12 months, which is positive, and would indicate movement towards a level of market stability, although this is at the higher pricing level. There are still some issues with material availability, although this has improved recently. Meantime there remains an ongoing skills and labour shortage within the construction industry. This experience seems to be consistent with previous years and has a direct impact on quality and delivery on sites. Bricklayers, stonemasons, and plumbers appear to be in peak demand within the current market. Generally, there are a reasonable number of tender returns for projects and contractors'

appetite for submitting prices for projects is increasing, which is also positive. In Aberdeenshire there are a limited number of contractors in comparison to Central Belt Scotland, therefore, this may be susceptible to change if sizeable, more attractive projects are released into the market. There is also more interest from contractors around Aberdeenshire Council's potential programme of construction projects, which would suggest their order books may not be as full as previous years. A high proportion – around 74% - of current and future affordable housing development is or will be as a consequence of contributions from the private development industry to affordable housing through the Local Development Plan's Affordable Housing Policy. The policy states that "all new housing development of four or more homes must include 25% of the serviced plots for affordable housing". Consequently, the SHIP 2024-2029 will be heavily influenced 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 2022 to March 2023, a total of 179 new build units for social rent were completed; 28 units across the Council New Build programme and 151 units across our RSL partners New Build programme. This includes developments across the following locations; Peterhead, Oldmeldrum, Rothienorman, Sauchen, Inch, Inverurie, Portlethen, Johnshaven, Ballater and Inchmarlo. Of the 179 units, 56 were suitable for particular needs of which 26 units were wheelchair accessible. Of these 179, 35 units were delivered on town centre and or brownfield sites at Ballater and Portlethen. There were also 16 properties purchased for social rent through the Council across the following settlements – Fraserburgh, Macduff, Peterhead, St Fergus, Ellon, Kemnay, Inverurie, Stonehaven and Huntly, 4 of which are suitable for particular needs households. Furthermore 1 unit for Low Cost Shared Equity was completed, as well as 14 Low Cost Shared Equity resales. Table 4 below details completions by provider, tenure and property size.

Meantime work has recently completed or currently on site for 414 social rent units of which 234 are being delivered through the Council's New Build programme, the remaining 180 through our RSL partners. This includes developments across the following locations: Fraserburgh, St Fergus, Ellon, Tarves, Blackdog, Inverurie, Westhill, Stonehaven, Johnshaven, Huntly, & Alford; of which 105 units will be delivered on town centres and or brownfield sites. Of these 414 units 109 are suitable for particular needs including 47 for wheelchair users. One property has also been purchased from the open market to be brought into Council stock in Ellon. Work has also commenced on site for 10 shared equity units and 30 units for mid-market

rent at Chapleton by our RSL partners, as well as 8 Low Shared Equity units in Ladysbridge. Of these 48 units, 19 are suitable for particular needs.

Table 4 – Number of Aberdeenshire Completions by Tenure/Provider/House Size during 22/23						
Tenure	1 bed	2 beds	3 bed	4 bed	5 bed	Total
Aberdeenshire Council - social rent	12	4	7	4	1	28
Registered Social Landlord - social rent	37	49	50	13	2	151
Acquisition by Aberdeenshire Council - social rent	9	5	2			16
Acquisition by RSL - social rent	0	0	0	0	0	0
Mid Market Rent - Create Homes		0	0	0	0	0
Mid Market Rent - Registered Social Landlords	0	0	0	0	0	0
Shared Equity	0	0	0	0	0	0
Low Cost Shared Equity - New Build	0	1	0	0	0	1
Low Cost Shared Equity - Resales	2	6	6	0	0	14
Total	60	65	65	17	3	210

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 within the context of a place making approach. 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 1972 new affordable homes, with around 590 suitable for Particular Needs (30%) of which 239 will be fully wheelchair accessible (12%). Around 1533 units will be for social rent (78%) with the remainder as either mid market rent or some form of affordable home ownership. Of the 1972 units around 261 units will be delivered on either town centre and or brownfield sites. In terms of addressing the pressure points of 1 bed properties and larger family size properties of 3+ bedrooms, around 35% of social rent properties will be 1 bed properties and around 39% will be 3+ bedroom properties. A summary of the SHIP is outlined in Table 5 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 5, along with the Resource Planning Assumptions as advised by Scottish Government.

Table 5 - Strategic Housing Investment Plan 2024-2029								
Potential Site Starts								
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
24/25								
Council - Social Rent	37	91	11	0	0	0	139	

RSL - Social Rent	33	25	77	80	70	54		339
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0		0
RSL - Mid Market Rent	0	0	0	23	80	0		103
RSL Low Cost Shared Equity	0	0	0	0	13	8		21
Aberdeenshire Low Cost Shared Equity	4	12	11	0	7	8		42
Total	74	128	99	103	170	70		644
								£27.69m
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
25/26								
Council - Social Rent	0	50	23	0	0	0		73
RSL - Social Rent	12	22	68	109	97	14		322
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0		0
RSL - Mid Market Rent	0	0	0	0	33	15		48
RSL Low Cost Shared Equity	0	0	0	0	6	0		6

Aberdeenshire Low Cost Shared Equity	4	2	5	5	1	13	30	
Total	16	74	96	114	137	42	479	£28.152m
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption
26/27								
Council - Social Rent	0	0	0	0	0	0	0	
RSL - Social Rent	0	36	85	32	0	10	163	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	0	16	10	26	
RSL Low Cost Shared Equity	0	0	0	0	6	6	12	
Aberdeenshire Low Cost Shared Equity	0	6	9	0	2	0	17	
	0	42	94	32	24	26	218	To be advised by Scottish Government
Area	BB	B	F	G	KM	M	Aberdeenshire	Resource Planning Assumption

27/28								
Council - Social Rent	0	34	0	0	0	30		64
RSL - Social Rent	0	71	65	54	49	0		239
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0		0
RSL - Mid Market Rent	0	0	0	0	16	0		16
RSL Low Cost Shared Equity	0	0	0	0	6	0		6
Aberdeenshire Low Cost Shared Equity	0	8	1	4	4	1		18
Total	0	113	66	58	75	31		343
Area	BB	B	F	G	KM	M	Aberdeenshire	Aberdeenshire
28/29								
Council - Social Rent	0	0	42	0	6	0		48
RSL - Social Rent	0	74	28	32	12	0		146
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0		0

**To be advised by
Scottish
Government**

RSL - Mid Market Rent	0	0	0	41	12	0	53	
RSL Low Cost Shared Equity	0	0	0	0	6	0	6	
Aberdeenshire Low Cost Shared Equity	3	0	0	17	10	5	35	
Total	3	74	70	90	46	5	288	To be Advised by Scottish Government
Resource Planning Assumption								
Area	BB	B	F	G	KM	M	Aberdeenshire	
24/29								
Council - Social Rent	37	175	76	0	6	30	324	
RSL - Social Rent	45	228	323	307	228	78	1209	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	64	157	25	246	
RSL Low Cost Shared Equity	0	0	0	0	37	14	51	
Aberdeenshire Low Cost Shared Equity	11	28	26	26	24	27	142	
Total	93	431	425	397	452	174	1972	£55.842m

- 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. Affordable housing partners recognise the importance of maximising land supply outwith the Affordable Housing Policy and as such work continues to identify and pursue other opportunities including a collaborative approach with regards to the disposal of partners' land and assets and securing land from the open market where appropriate and viable.
- 3.5 **Affordable Housing 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. During 22/23 £500,000 has been spent supporting the delivery of homes in Ballater (24) and Ellon (40) both brownfield town centre sites. Meantime a further £739,000 has been committed to projects in Fraserburgh and Huntly, both of which are brownfield sites, with works well underway, to deliver 19 homes. A further £1.598 million has been allocated in principle to several developments across Aberdeenshire which, subject to appropriate approvals, consents and funding will enable the further delivery of a further 198 units. Meantime future projects will be considered as and when appropriate.
- 3.6 **Empty Homes and 2nd Homes**
During 22/23 £0.548m of 2nd Homes Council Tax was spent to support the delivery of 66 council new build homes in Fraserburgh and Ellon and £1.800 million was collected. This funding stream continues to support the Council's New Build programme, with 35 units currently on site. Future funds are fully committed to the Council's New Build programme 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.

National Records of Scotland latest publication June 2023 show no change with regards to dwellings in Aberdeenshire that have been empty for a period of more than 6 months – 2.1%, compared to a Scottish Average of 1.7% with Aberdeen City at

4.7% and Moray at 1.8%. These figures capture the data as at September 2022. Aberdeenshire Council Tax data demonstrates that Aberdeenshire Council have 2403 empty properties as at 3.4.23.

Table 6 below provides a summary of the empty homes brought back into use as affordable housing in Aberdeenshire over the course of the last three years from 2020/21 to 2022/23.

Table 6 - Empty Homes Projects 2020-2023 by route, funding, length of time empty and tenure									
20/21 Empty Property details				Funding Source/Amount					
No	Length of time empty	Total No of completed properties	Tenure	SGovt Grant £	HRA/RSL £	Developer Obligations Cash £	Developer Obligations On Site £	Private finance £	Total Funding £
4	< 6 months	4	social rent	168,000	178,656	18,868	0	0	365,524
3	1-2 years	3	social rent	126,000	193,385	10,036	0	0	329,421
3	2-5 years	5	social rent	255,000	256,215	103,302	0	0	614,517
2	5-10 years	9	8 social rent; 1 LCSE	456,000	23,596	26,000	28,000	90,000	623,596
12		21		£1,005,000	£651,852	£158,206	£28,000	£90,000	£1,933,058
21/22 Empty Property details				Funding Source/Amount					
No	Length of time empty	Total No of completed properties	Tenure	SGovt Grant £	HRA/RSL £	Developer Obligations Cash £	Developer Obligations On site £	Private Finance £	Total Funding £

34	<6 mths=8 6-12 mths=11 1-2 years=10 2-5 years=16 5-10 years=10 >10 years=1	54	53 social rent; 1 LCSE	£2,642,861	£3,288,728	£342,468	£28,000	£90,000	£6,392,057
----	---	----	------------------------------	------------	------------	----------	---------	---------	------------

As part of our collaborative approach to bringing empty properties back into use, during 22/23, 12 empty properties were bought from the open market by Aberdeenshire Council in Stonehaven; Fraserburgh, Ellon, Kemnay, Macduff; Inverurie; Huntly; and Peterhead. This has resulted in the delivery of 12 energy efficient affordable homes for social rent of which 3 are suitable for particular needs households. Furthermore, one empty property was converted into 12 energy efficient affordable homes for social rent by a registered social landlord in Ballater. Not only does this assist in meeting housing need but also supports wider aims such as town centre regeneration, rural sustainment, community safety and carbon neutrality for example.

Our dedicated [Empty homes - Aberdeenshire Council](#) service also provides advice and information to individuals who are looking for help to bring their empty property back into use. During 2022/2023, 166 enquiries were received at emptyhomes@aberdeenshire.gov.uk with advice and information provided as follows:-

- 41 seeking advice re buying and or selling, including the Matchmakers scheme
- 20 seeking advice re renting
- 10 reporting an empty property
- 63 funding and financial related queries
- 26 general enquiry
- 6 renovation and maintenance queries

Over the course of Summer 2023, the liable parties of 1905 empty homes have been contacted. As a result, 33 have advised that for varying reasons the property is now occupied/sold or no longer an empty property. 14 have requested information on funding and financial matters, rental advice, repairs and maintenance advice, renovations advice and buying

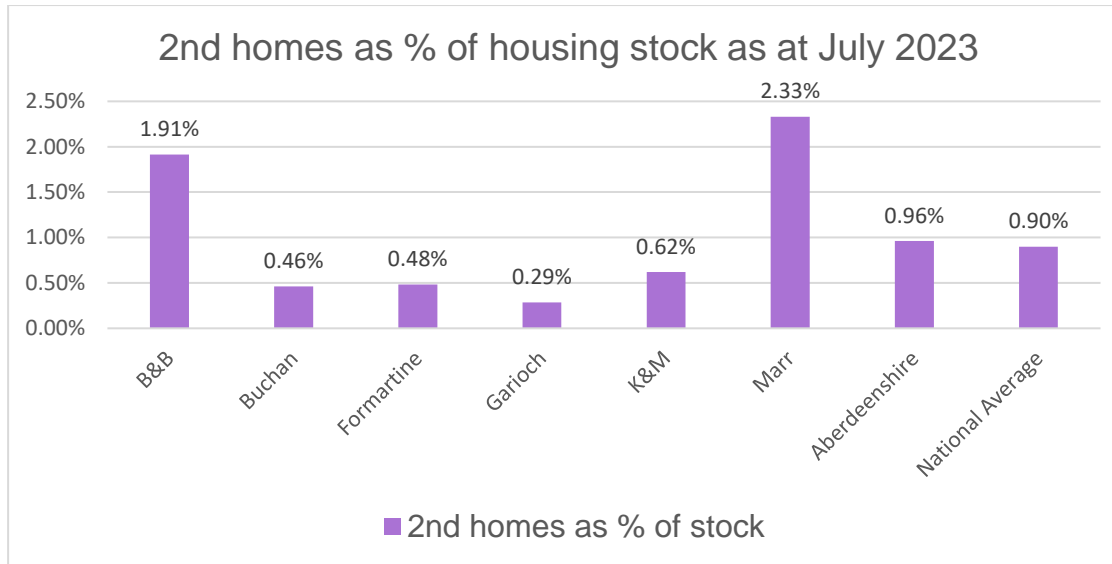
and selling advice. Further targeting will continue to ensure all empty home owners in Aberdeenshire are aware of the Empty Homes Service and the practical support and assistance available.

In Aberdeenshire, the number of second homes has remained almost constant over the last five years. The Scottish average proportion of second homes as a percent of total dwellings is 0.90% with Aberdeenshire's proportion is 0.96%. Table 7 below shows the number of second homes in Aberdeenshire, Aberdeen City and Scotland.

Table 7 - Number of Second Homes			
Year	Aberdeen City	Aberdeenshire	Scotland
2022	737	1,214	24,287
2021	847	1,208	23,990
2020	848	1,193	24,471
2019	905	1,244	24,478
2018	884	1,223	24,983

Source: National Records for Scotland 2023

However, when looking at each administrative area the percentages vary, with Banff and Buchan and Marr, being 1.91% and 2.33% respectively, as demonstrated in the graph below.



Marr includes the Royal Deeside towns of Ballater and Braemar and this likely explains why this area has a higher than average percentage of second homes due to being a popular tourist destination. Similarly in Banff and Buchan there are many small coastal villages that are in areas associated with tourism. In the smaller villages within the Marr area the availability of social rented stock is limited, this coupled alongside limited and higher than Aberdeenshire average private housing costs can mean that it is challenging for some households to access housing. Marr is predominantly a rural area and local intelligence suggests that many people work locally in Braemar and Ballater and do not want to travel further. Traditionally the main industries are hospitality, accommodation and retail due to the high number of visitors to this area each year, but this work is typically seasonal and low paid. Therefore, expensive private rented or owner occupied properties, even if available, would not be affordable to most. Whereas in Banff & Buchan the turnover of social rented stock within the small coastal villages is typically healthy enough to accommodate the majority of those households on the waiting list. However, some households may have difficulty in accessing suitable housing despite the lower than Aberdeenshire average private housing costs when considering lower than Aberdeenshire average household incomes.

3.7 Developer Obligations

During 2022/2023 there were 196 new supply affordable housing completions in Aberdeenshire as detailed in Table 8 below.

Table 8 – Number of Aberdeenshire Completions 2022/2023 supported by the Affordable Housing Policy			
Number of Completions	S75	Non S75	Total
Scottish Government Funding	137	58	195
Without Scottish Government Funding	1	0	1
Total	138	58	196

Of these completions, 138 (70%) 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 58 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 9 below identifies funds received.

Table 9 - Developer Obligations Commuted Payments As At August 2023					
Catchment	Total cash	Paid in	Committed	Expended	Balance
Aberdeenshire	£238,621	£239,971	£1,750	£238,221	£0
Aboyne	£471,074	£464,018	£76,218	£350,300	£37,500
Alford	£572,766	£542,693	£0	£404,479	£138,214
Banchory	£852,437	£884,562	£0	£615,873	£268,689
Banff	£669,558	£760,355	£0	£445,366	£314,989
Ellon	£672,101	£595,755	£0	£506,436	£89,319
Fraserburgh	£689,982	£651,504	£130,272	£495,272	£25,960
Huntly	£647,935	£603,980	£0	£603,512	£468
Inverurie	£1,530,922	£1,517,665	£0	£1,462,515	£55,150
Kemnay	£756,104	£797,890	£0	£788,510	£9,380

Mackie (Stonehaven)	£860,945	£850,625	£321,054	£466,051	£63,520
Mearns (Laurencekirk)	£379,519	£383,965	£0	£359,702	£24,263
Oldmeldrum	£1,349,768	£1,311,968	£0	£1,245,752	£66,216
Mintlaw	£795,906	£732,613	£244,572	£273,482	£214,559
Peterhead	£445,822	£447,302	£0	£443,311	£3,991
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	£215,100	£215,100	£0	£209,289	£5,811
LCHO Resales	£1,500,673	£1,500,673	£0	£0	£1,500,673
LCHO Staircasing	£221,913	£221,913	£0	£0	£221,913
Total	£13,712,484	£13,545,192	£773,866	£9,723,211	£3,048,115

During 2022/23, £287,443 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; the delivery of 66 units across 3 developments as part of the Council's new build programme; and 14 particular needs adaptations.

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 continue to assess the UK and Europe for best practice in delivery models. 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 provide 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 376 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, 116 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 limited liability partnership in 2015, with the backing of the Scottish Government following the ten year National Housing Trust model. CHA has acquired 51 units across four developments in Aberdeenshire, providing mid-market rented accommodation through Private Residential Tenancies and targeted at those households with modest incomes. This model enables the delivery of mid-market housing whilst maintaining a neutral impact on the Housing Revenue Account. With regards to exiting the ten year model, on 9th March 2023 Aberdeenshire Council agreed to continue Create Homes whilst incorporating a company limited by shares, with the Council as the sole shareholder to secure the longer term provision of mid market homes and Scottish Futures Trust retiring from the partnership. This also requires ministerial sign off of any on lending consent agreements as well as a discharge of the existing Scottish Government guarantees. Meantime discussions are ongoing with Scottish Government with regards to accessing housing grant to enable the move towards a limited company as subsidy is required to complement the loan funding. Subject to establishing the limited company further opportunities will continue to be explored and assessed with projects progressing where appropriate subject to viability and consents.

3.8.3 Open Market Shared Equity

During 2022-2023 in Aberdeenshire, there were 186 applications to the Scottish Government's Open Market Shared Equity Scheme (OMSE) managed by LINK Housing. 168 of those were approved and received passport letters. Draft figures indicate that there were around 100 sales with 77 expired passports and 2 declined. The remaining live passports at the end of March were carried over into 2023-2024.

3.8.4 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 continue to explore options to enable a project to progress to the tender stage to allow an application to be made to the main fund of Scottish Government's Rural Housing Fund, having successfully secured planning permission, subject to conditions, for 15 affordable housing units. Aberdeenshire Council have provisionally offered in the region of £70k subject to securing match funding and nomination rights to support the delivery of the project. In Tarland, a community group continue to explore potential affordable housing sites within the village – greenfield, brownfield and existing properties. Following on from a small survey carried out in Autumn 2022, the Tarland community group have enlisted the Communities Housing Trust to carry out an options appraisal with regards to affordable housing with the outcome expected in Autumn 2023. Meantime the Tarland community group have obtained Scottish Charitable Incorporated Organisation status.

3.8.5 Affordable Rural Homes for Keyworkers Fund

This recently announced fund aims to make best use of underused or empty properties by making them available to key workers and others in rural areas in order to meet the housing needs of these local communities. Key workers are often considered as essential to providing services to the public and can include professions such as doctors, nurses, teachers, and police officers but can also extend to private sector businesses, and seasonal staff for example. It is also acknowledged that difficulties in the recruitment and retention of key workers can be detrimental to local economic growth and to service provision that is important to the wellbeing of local communities. In Aberdeenshire whilst there is the provision of mid market rented accommodation through our housing association partners and Create Homes (see 3.82), these properties aren't specifically targeted at key workers. Currently there isn't any evidence to suggest that specific key workers accommodation is required, however, officers will continue to monitor this in partnership with stakeholders to ensure that appropriate action is taken to meet identified need.

3.8.6 Housing Infrastructure Fund

As part of the Aberdeen City Region Deal, a £20m Housing Infrastructure Fund has been made available for Aberdeen City and Aberdeenshire to accelerate the delivery of affordable housing in the North East of Scotland. As and when it is appropriate to do so officers will work with interested parties to provide advice and support to maximise any potential opportunities which meet Scottish Government criteria.

3.8.7 Offsite Construction and Procurement

Given the rural nature of the Aberdeenshire area, there continues to be challenges around modular construction. Modular buildings and bathroom /shower room pods have been assessed but the market opportunities are limited within the local supply chains. Payment terms within off site manufacturing are challenging with some contractors looking for 50% payment upfront when ordering and the balance prior to site delivery which may pose additional risks which will require careful management. Generally, Aberdeenshire Council's new build programme delivers sites which average around 20-30 units, with projects ranging from around 6 units up to the largest project of 73 units, and a proportion are gap sites. Offsite manufacturing is more suited to larger, higher density, repetitive developments, to provide the required economies of scale, rather than the small-medium size one off projects which typically come through the affordable housing programme in Aberdeenshire. However, officers continue to explore and examine opportunities for alternative mechanisms and will implement these as and when appropriate and viable to do so.

To maximise the delivery of affordable housing, Aberdeenshire Council is a funding member of the Scotland Excel New Build Residential Framework which was launched 26th August 2019. Our current contract expires 31st Jan 2024. This framework should assist in the delivery of the Strategic Housing Investment Plan 2024 – 2029 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. Procurement is an evolving part of the construction industry and officers continue to monitor the options available to provide best value. However, it is important to note that the construction industry is still experiencing an extremely challenging period as noted in paragraph 2.4, resulting in increases in borrowing costs, material cost increases levelling off at a higher rate and labour inflation/shortages across all trades in turn driving up tender prices.

To achieve competitive tenders and the best value available in the market, the procurement of each development is assessed on its own merit as to whether the Scotland Excel Framework is the most suitable option or whether alternative frameworks or an open tender exercise via Public Contracts Scotland should be considered. To promote our future new build programme, officers facilitated a market engagement event - 'Meet the Buyer' in August 2022 with contractors invited to a session whereby details of future projects were shared to gauge interest across the sector. A follow up session is programmed for late

2023/early 2024. Officers will continue to monitor this closely and will take 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 10th October 2023 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 during August and September 2023 and thereafter reported to Communities Committee 2nd November 2023 for approval.
- 4.4 Responses to the consultation have been positive, welcoming the collaborative approach to the delivery of affordable housing across Aberdeenshire, albeit noting and highlighting challenges and areas of concern, with a view to taking appropriate action to mitigate risks. Maximising opportunities for delivery was a common thread, as was ensuring that developments embed place making and sustainability principles, to ensure that the right size and type of homes are developed in the right places with access to appropriate services to meet identified housing need. The delivery of social rent housing and housing with appropriate support for older people were identified as key priorities through Engage Aberdeenshire.

5. Equalities

5.1 An Integrated Impact Assessment has been carried out and is included as additional information. Positive and neutral 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. 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 the primary document in relation to land use planning is the Local Development Plan which is subject to a full SEA and which will ultimately cover all housing projects set out in the SHIP. This has been accepted by the consultation authorities.

7. Outcome

7.1 The main outcome of this SHIP is to enable the delivery of high quality, energy efficient housing, which support climate adaptation, maximising a range of funding streams and delivery models to address housing need across a variety of affordable housing tenures, whilst adopting place making principles.