



## **Strategic Housing Investment Plan 2019 – 2024**

### **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 August 2018, this SHIP 2019 - 2024 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 and creating employment in the house building sector and assist with initiatives such as modern apprenticeships.

### **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 public

consultation before it was approved by Communities Committee 21 December 2017. The Local Housing Strategy contributes to the delivery of the Council Plan and the Aberdeenshire's Local Outcome Improvement Plan. 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 340 units per year.
  - 2) Increase the supply of intermediate housing, including mid-market housing and affordable home ownership by 85 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 lists demonstrate housing need across all towns and villages within Aberdeenshire. Housing data, waiting lists, housing stock and relets for example, is 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. 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.

| <b>Table 1 - Aberdeen Housing Market Area</b> |                        |
|---|------------------------|
| <b>High Priority</b>                          | <b>Medium Priority</b> |
| Banchory                                      | Balmedie               |
| Blackburn                                     | Kintore                |
| Ellon   | Newmachar              |
| Inverurie                                     | Oldmeldrum             |
| Newtonhill                                    |                        |
| Portlethen                                    |                        |
| Stonehaven                                    |                        |
| Westhill                                      |                        |
| <b>Rural Housing Market Area</b>              |                        |
| <b>High</b>                                   | <b>Medium</b>          |
| Fraserburgh                                   | Aboyne                 |
| Peterhead                                     | Alford                 |
|   | Ballater               |
|   | Banff                  |
|   | Cruden Bay             |

|  |              |
|--|--------------|
|  | Huntly       |
|  | Insch        |
|  | Inverbervie  |
|  | Kemnay       |
|  | Laurencekirk |
|  | Macduff      |
|  | Mintlaw      |
|  | Turriff      |

There is pressure across properties of all sizes, with significant pressure on one-bedroom stock. This pressure is expected to increase as Rapid Rehousing Transition Plans are developed during 2018/19. In addition, 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.

- **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.

Particular Needs clients are identified jointly by the Aberdeenshire Health and Social Care Partnership (AHSCP) and the Housing service as requiring specifically adapted property and an OT assessment will provide the property specific bespoke requirements of individuals.

In Aberdeenshire all new build properties are built to Housing for Varying needs standards to allow for flexibility and to accommodate the changing needs of individuals. Our New build process includes a process for detailing Particular Needs specifications, including fully accessible wheelchair provision. This process allows for early identification and effective collaboration and communication by all parties involved from the initial development opportunity whilst enabling pre-allocation with identification of Clients individual requirements to enable the delivery of bespoke properties where appropriate.

Our waiting list along with the Housing Needs and Demand Assessment 2017 shows there are 100 applicants on the waiting list who are wheelchair users. Additionally from the latest Census 26.9% of the population live with one or more long term health conditions and since 2001 the numbers of people living with activity-limited health problems or disability increased from 15.3% to 15.5%.

Work continues through our continuous improvement programme with partners to enhance our processes for identifying need and establishing accommodation requirements for both mainstream and supported accommodation. This includes better identification of wheelchair users

on our waiting list and exploring the potential for a separate wheelchair user waiting list.

Supported accommodation for Learning Disability Clients has been included in the SHIP for the Ellon area. The exact model of housing and specifications have still to be decided by Housing and AHSCP. Communication will take place with AHSCP re the allocation of tenancies and the particular requirements for tenants including the potential requirement for fully wheelchair accessible properties.

Work to improve adaptations processes continues in Aberdeenshire through our established multi-partnership working group for Adaptations. Our approach is tenure-neutral and person-centred and service re-design has focussed on improved data collection, streamlining access to adaptations and processes and a client outcomes questionnaire has been developed. Future work is intended on measuring the need and demand for adaptations, Housing Solutions training and complex case management.

- **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 stop over sites that meet the needs of the Gypsy/Traveller community.

As part of the Council's previously agreed Gypsy/ Traveller Site Provision Strategy, a seasonal Gypsy/Traveller stopover site at Aikey Brae, Maud opened on the 8<sup>th</sup> May 2018. The site has 10 pitches, each with a portable toilet and electric point as well as waste bins and water provided on site. The site is managed by the Gypsy/Traveller Liaison Officer, who provides support, advice and assistance to occupants. Four sites are also identified under the current Local Development Plan, however, it is unlikely these sites will be developed in the short term. However Officers will continue to investigate opportunities and take these forward for delivery. A report will also be presented to Gypsy Traveller Sub Committee.

Aberdeenshire Council will continue to identify barriers to meeting the housing needs of the minority ethnic community, including migrant workers and provide appropriate housing information and advice. It will also work toward ensuring minority ethnic people living in the private rented sector have accommodation that meets their needs.

## 2.2 **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 include the build out rate of developers and the availability of resources. Based on

the assessment and the factors above, the housing supply target for affordable housing in Aberdeenshire is 425 per year.

### 2.3 **Housing Market**

Data from published Q2 2018 (ASPC and Citylets) suggests that the local housing market is still sluggish; both the sales and rental market showing a decline with a continuing negative trend for annual house prices and rental values. Similarly the number of new build completions has also fallen with 889 completions during 2017 (Scottish Government). 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 70% - 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. However quarterly data published by ASPC and Citylets indicates that there is an easing in the rate of decline which could be levelling off, with the local economy more optimistic with Brent Crude Oil price levels remaining at a reasonable level. 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 **SHIP Programme Priorities**

Aberdeenshire Council has developed a programme of affordable housing providing 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 an Affordable Housing Hub, whereby a collaborative and dedicated approach to accelerating the delivery of affordable housing, is to be implemented. This will involve a wide variety of partners across different services and partners to drive forward the delivery of affordable housing by 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 2354 new affordable homes; a summary of the SHIP is outlined in Table 2 below.

### 3.2 **Affordable Housing Supply Programme**

Through the Affordable Housing Supply Programme, the Scottish Government has advised of the following Resource Planning Assumptions which are outlined in Table 2 below.



|   |           |           |            |            |           |           |                      |   |
|---|-----------|-----------|------------|------------|-----------|-----------|----------------------|---|
| Aberdeenshire<br>Low Cost<br>Shared Equity            |           | 2         | 11         | 13         | 19        | 36        | 81                   |   |
| <b>Total</b>  | <b>26</b> | <b>57</b> | <b>102</b> | <b>123</b> | <b>58</b> | <b>64</b> | <b>430</b>           | <b>£30.544</b>  |
| <b>Area</b>   | <b>BB</b> | <b>B</b>  | <b>F</b>   | <b>G</b>   | <b>KM</b> | <b>M</b>  | <b>Aberdeenshire</b> | <b>Scottish<br/>Government<br/>Resource<br/>Planning<br/>Allocation<br/>£ million</b> |
| <b>21/22</b>  |           |           |            |            |           |           |                      |   |
| Council - Social<br>Rent                              |           | 26        | 25         |            |           | 30        | 81                   |   |
| RSL - Social<br>Rent                                  | 15        | 19        | 109        | 90         | 67        | 40        | 340                  |   |
| Create Homes<br>Aberdeenshire -<br>Mid Market<br>Rent |           |           |            |            |           |           | 0                    |   |
| RSL - Mid<br>Market Rent                              |           |           |            | 25         | 25        |           | 50                   |   |
| RSL Low Cost<br>Shared Equity                         |           |           |            |            |           |           | 0                    |   |
| Aberdeenshire<br>Low Cost<br>Shared Equity            | 5         |           | 3          | 12         |           | 9         | 29                   |   |
| <b>Total</b>  | <b>20</b> | <b>45</b> | <b>137</b> | <b>127</b> | <b>92</b> | <b>79</b> | <b>500</b>           | <b>£30.544</b>  |
| <b>Area</b>   | <b>BB</b> | <b>B</b>  | <b>F</b>   | <b>G</b>   | <b>KM</b> | <b>M</b>  | <b>Aberdeenshire</b> | <b>Scottish<br/>Government<br/>Resource<br/>Planning<br/>Allocation<br/>£ million</b> |
| <b>22/23</b>  |           |           |            |            |           |           |                      |   |
| Council - Social<br>Rent                              |           | 34        |            |            |           |           | 34                   |   |
| RSL - Social<br>Rent                                  | 30        | 82        | 74         |            | 59        | 24        | 269                  |   |
| Create Homes<br>Aberdeenshire -<br>Mid Market<br>Rent |           |           |            |            |           |           | 0                    |   |
| RSL - Mid<br>Market Rent                              |           |           |            |            | 12        |           | 12                   |   |
| RSL Low Cost<br>Shared Equity                         |           |           |            |            | 8         |           | 8                    |   |

|   |            |            |            |            |            |            |                      |   |
|---|------------|------------|------------|------------|------------|------------|----------------------|---|
| Aberdeenshire<br>Low Cost<br>Shared Equity            |            | 3          | 2          | 44         |            | 4          | 53                   |   |
| <b>Total</b>  | <b>30</b>  | <b>119</b> | <b>76</b>  | <b>44</b>  | <b>79</b>  | <b>28</b>  | <b>376</b>           | <b>£30.544</b>  |
| <b>Area</b>   | <b>BB</b>  | <b>B</b>   | <b>F</b>   | <b>G</b>   | <b>KM</b>  | <b>M</b>   | <b>Aberdeenshire</b> | <b>Scottish<br/>Government<br/>Resource<br/>Planning<br/>Allocation<br/>£ million</b> |
| <b>23/24</b>  |            |            |            |            |            |            |                      |   |
| Council - Social<br>Rent                              |            |            |            |            |            |            | 0                    |   |
| RSL - Social<br>Rent                                  | 42         | 65         | 126        | 17         | 12         |            | 262                  |   |
| Create Homes<br>Aberdeenshire -<br>Mid Market<br>Rent | 0          |            |            |            |            |            | 0                    |   |
| RSL - Mid<br>Market Rent                              | 0          |            |            |            | 11         |            | 11                   |   |
| RSL Low Cost<br>Shared Equity                         |            |            |            |            |            |            | 0                    |   |
| Aberdeenshire<br>Low Cost<br>Shared Equity            | 0          | 2          |            |            | 16         | 6          | 24                   |   |
| <b>Total</b>  | <b>42</b>  | <b>67</b>  | <b>126</b> | <b>17</b>  | <b>39</b>  | <b>6</b>   | <b>297</b>           | <b>£30.544</b>  |
| <b>Grand Total</b>                                    | <b>291</b> | <b>363</b> | <b>479</b> | <b>446</b> | <b>508</b> | <b>267</b> | <b>2354</b>          | <b>£150.859</b>   |

3.3 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.

3.4 **Aberdeenshire Council – Affordable Housing Reserve Fund**  
In order to enable and support the delivery of affordable housing, Aberdeenshire Council have made up to £4m, potentially available 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. To date £493,000 has been spent supporting the delivery of 51 new affordable homes in Peterhead, Inverurie, Huntly and Turriff. A further £1.516 million has been committed to several developments across Aberdeenshire which will enable the further delivery of a further 133 units. Meantime future projects will be considered as and when appropriate.

### 3.5 2nd Homes Council Tax and Empty Homes

As at March 2018 just under £16.9m has been collected since 2005 through second homes council tax, approximately £1.2 million per annum. During 2017/18 these monies have assisted in the delivery of 158 affordable homes across 13 developments through the Council's New Build programme the majority of which are now complete. Future funds are fully committed to the Council's New Build programme for the period up to 2021/22. Empty homes revenues are not currently used to support the delivery of affordable housing or bringing empty properties back into use.

### 3.6 Developer Obligations

During 17/18 there were 170 affordable housing completions in Aberdeenshire.

| <b>Aberdeenshire Completions 2017/18</b> |            |           |            |
|--|------------|-----------|------------|
| Number of Completions                    | S75        | Non S75   | Total      |
| Scottish Government Funding              | 119        | 31        | 150        |
| Without Scottish Government Funding      | 20         | 0         | 20         |
| <b>Total</b>                             | <b>139</b> | <b>31</b> | <b>170</b> |

Of these completions 139 were delivered through S75 - Affordable Housing policy - land and/or commuted sums, with 119 of these units also supported by Scottish Government funding through the Affordable Housing Supply Programme. The remaining 31 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 3 below identifies funds received.

| <b>Table 3 - Developer Obligations Commuted Payments As At August 2018</b> |          |           |          |          |
|--|----------|-----------|----------|----------|
| Catchment  | Paid in  | Committed | Expended | Balance  |
| Aberdeenshire  | £226,471 | £0        | £225,765 | £0       |
| Aboyne   | £378,506 | £144,439  | £187,133 | £46,934  |
| Alford   | £548,778 | £0        | £260,504 | £288,274 |

|                              |                    |                 |                   |                   |
|------------------------------|--------------------|-----------------|-------------------|-------------------|
| Banchory                     | £676,969           | £100,155        | £259,738          | £317,376          |
| Banff                        | £705,044           | £0              | £214,950          | £490,094          |
| Ellon                        | £492,513           | £0              | £300,589          | £191,924          |
| Fraserburgh                  | £581,995           | £84,922         | £497,072          | £0                |
| Huntly                       | £600,801           | £0              | £481,638          | £119,162          |
| Inverurie                    | £1,438,018         | £0              | £1,421,923        | £16,094           |
| Kemnay                       | £792,768           | £0              | £718,677          | £74,091           |
| Mackie<br>(Stonehaven)       | £662,886           | £326,810        | £252,122          | £83,954           |
| Mearns<br>(Laurencekirk)     | £362,643           | £0              | £212,598          | £150,045          |
| Oldmeldrum                   | £1,183,874         | £0              | £1,181,817        | £2,057            |
| Mintlaw                      | £510,537           | £85,106         | £157,253          | £268,178          |
| Peterhead                    | £438,384           | £8,869          | £429,899          | £0                |
| Portlethen                   | £155,072           | £0              | £155,072          | £0                |
| Turriff                      | £577,947           | £0              | £577,947          | £0                |
| Westhill                     | £94,240            | £0              | £94,240           | £0                |
| <b>Other<br/>Towns/Areas</b> | £299,749           | £46,850         | £148,520          | £104,379          |
| <b>LCHO Resales</b>          | £469,293           |                 |                   | £469,293          |
| <b>LCHO<br/>Staircasing</b>  | £218,428           |                 |                   | £218,428          |
| <b>Total</b>                 | <b>£11,414,914</b> | <b>£797,151</b> | <b>£7,777,458</b> | <b>£2,840,284</b> |

During 2017/18 £733,400 of this funding stream has assisted the delivery of 45 new affordable homes across the Council's new build programme. 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.
- 5) Purchase of open market housing for use as affordable housing; either for mainstream or temporary accommodation subject to identified housing need.

### 3.7 **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 338 properties sold mainly to first time buyers since 2009.

### 3.8 **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. Further opportunities continue to be explored and assessed with projects progressing subject to viability. 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.

### 3.9 **Open Market Shared Equity**

The Scottish Government's Open Market Shared Equity Scheme (OMSE) through Grampian Housing Association/LINK enabled a further 70 households to purchase properties during 2017-2018.

### 3.10 **Help to Buy**

Since 2013 Grampian Housing Association has administered the Scottish Government's Help To Buy scheme across the Grampian area. During 2017-2019 fifty-two households have purchased properties in Aberdeenshire. Application numbers continue to remain low due to the reduction in the purchase threshold limit, stricter affordability checks and the local economic downturn in the oil and gas sector.

### 3.11 **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. To date feasibility funding has been awarded to a community group in Tarland, with two other groups having expressed an interest in exploring this further. Aberdeenshire Council will continue to promote this scheme assisting where appropriate.

### 3.12 **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. It is anticipated that applications will be submitted with regards to two different sites as detailed in the SHIP xls tables. Officers will continue to work with interested parties to provide advice and support to maximise any further potential opportunities which meet Scottish Government criteria.

### 3.13 **Procurement**

In order to maximise the delivery of affordable housing in the context of Best Value and best practice, existing procurement mechanisms will be considered and where appropriate re-evaluated and improved, which includes examining existing frameworks, collaborating with RSL partners and Aberdeen City Council, as well as exploring innovative delivery mechanisms. Consequently Aberdeenshire Council is actively

participating in the establishment of a new build framework for the delivery of affordable housing projects in partnership with other local authorities across Scotland through the Association of Local Authorities Chief Housing Officers.

#### **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 through a presentation to the relevant Tenant/Officer Function Group as well as information produced through the Local Housing Strategy update newsletter.
- Participation in the Main Issues Report workshops for the forthcoming Local Development Plan. The provision of affordable housing was identified as a priority for a number of local communities throughout the consultation process.

4.3 This SHIP was also considered and commented upon by the six Area Committees and will be reported to Communities Committee 8<sup>th</sup> November 2018 for approval.

#### **5. Equalities**

5.1 An Equalities 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 options.