



**Strategic Housing
Investment Plan
2023/24– 2027/28**

Contents

1. Introduction
2. Strategic Context
3. Aberdeen City SHIP 2023-2028
4. Prioritisation
5. Consultation
6. Resources
7. Wheelchair Accessible Housing
8. SHIP Summary
9. Council Approval of SHIP

1. Introduction

1.1 The core purpose of the Strategic Housing Investment Plan (SHIP) is to set out strategic investment priorities for affordable housing over a 5-year period to achieve the outcomes set out in the Local Housing Strategy (LHS). The SHIP reinforces the local authority as the strategic housing authority and details how investment priorities will be delivered. The SHIP should:

- Set out the investment priorities for affordable housing
- Demonstrate how these will be delivered
- Identify the resources required to deliver these priorities
- Enable the involvement of key partners.

1.2 The SHIP is a realistic and practical operational plan that rolls forward projects identified in previous SHIPs and introduces new projects. It demonstrates how, when and where the Council and its partners intend to deliver new affordable homes across the city. It also illustrates how a variety of funding mechanisms are maximised to ensure the delivery of the projects.

1.3 In 2021/22 there were 692 affordable housing completions which is the highest number of affordable homes delivered in Aberdeen through the Affordable Housing Supply Programme. As of 30 August 2022, 144 affordable housing completions have taken place across the city, with 653 units being projected for completion in 2022/23. The table below shows the location, developer and type of affordable homes completed in 2021/22.

Location	Developer	Type	No. of units
Council Buy Backs	ACC	Social Rent	126
Wellheads, Dyce	ACC	Social Rent	216
Eday Gardens	ACC	Mortgage to Rent	1
Burnside	Grampian	Social Rent	43
Burnside	Grampian	Mid-Market Rent	58
Countesswells	Hillcrest	Social Rent	24
Countesswells	Hillcrest	Mid-Market Rent	64
St Machar	Hillcrest	Social Rent	103
St Machar	Hillcrest	Mid-Market Rent	35
Kingswells	Hillcrest	Social Rent	20
Royal Cornhill Hospital	Barratt Homes	Low-Cost Home Ownership	2
Total			692

2. Strategic Context

2.1.1 Local Housing Strategy

2.1.2 The Aberdeen City Local Housing Strategy (LHS) 2018-2023 provides the strategic direction to respond to housing need and demand and informs the future investment in housing and housing related services across the city. The LHS identifies an affordable housing target of 342 homes per year in 2018/19 and 2019/20 and 385 per year in 2020/21, 2021/22 and 2022/23. Work will start on the updated LHS in 2022/23.

2.1.3 In developing the LHS, the Council worked in collaboration with a wide range of partners and stakeholders with an interest in housing to develop a shared vision for housing across the city. Housing plays a vital role in meeting the needs of local people and contributes to a prosperous economy.

2.1.4 The LHS sets out a framework of actions and investment with partnership working to deliver the strategic outcomes and is underpinned by the Housing Need and Demand Assessment 2017 and reflects the Aberdeen City and Shire Strategic Development Plan and the Aberdeen Local Development Plan.

2.1.5 The housing priorities identified in the LHS 2018 - 2023:

- There is an adequate supply of housing across all tenures and homes are the right size, type, and location that people want to live in with access to suitable services and facilities.
- Homelessness is prevented and alleviated.
- People are supported to live, as far as is reasonably practicable, independently at home or in a homely setting in their community.
- Consumer knowledge, management standards and property condition are improved in the private rented sector.
- Fuel poverty is reduced which contributes to meeting climate change targets.
- The quality of housing of all tenures is improved across the city.

2.1.6 The SHIP is aligned with the priorities in the LHS, and the investment priorities are consistent with the strategic priorities. The delivery of affordable housing through the SHIP contributes to all but the one of the strategic priorities identified in the LHS; consumer knowledge, management standards and property condition are improved in the private rented sector.

2.2 Empty Homes

- 2.2.1 A full-time Empty Homes Officer has been in post since November 2018 to reflect the changing requirements of empty homes across the city and to ensure empty homes are brought back into use.
- 2.2.2 The Empty Homes Officer works with owners to bring empty properties back into use. Since the post was created, 458 empty properties have been brought back into use. Work is ongoing with landlords and letting agents across the city to “match” people from housing waiting lists with owners/letting agents of empty Private Rented Sector properties through the council’s Matchmake to Rent Scheme.
- 2.2.3 The Council utilises the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendments Regulations 2016 which allow local authorities to charge increased Council Tax on certain homes that have been empty for one year or more. The power contained in the Regulations is intended as an additional tool to help local authorities encourage owners to bring empty properties back into use, both to increase the supply of housing for those who need homes and to reduce the blight on communities caused by houses being left empty and allowed to fall into disrepair.

2.3 Gypsy/Travellers

- 2.3.1 The lack of suitable secure accommodation underpins many of the inequalities that may be experienced. It often leads to Gypsy/Travellers using public and private land to set up unauthorised encampments which sometimes creates tensions between Gypsy/Travellers and the settled community. Establishing new permanent and transit sites can help alleviate some of the problems that Gypsy/Travellers face.
- 2.3.2 In order to address this, the Local Development Plan 2017 has identified sites as part of the 25% affordable housing contribution offering opportunities to the north, west and south of the city. Grandhome, Newhills, and Loirston are considered most appropriate for on-site provision of smaller transit sites with a net area of approximately 0.5 hectares providing six pitches on each site. Provision at the remaining locations will take the form of a commuted sum (equivalent to 15 affordable units) as set out in the Local Development Plan Supplementary Guidance.
- 2.3.3 The Council has one permanent Gypsy/Traveller site at Clinterty. £3,234,630 has been identified through council funds and £3,244,691 will be provided through the Scottish Government’s Gypsy/Traveller Accommodation Fund to carry out capital works to this site. The site is due to be demolished and rebuilt to ensure it meets current and future needs of Gypsy/Travellers.

2.4 Rapid Rehousing Transition Plan (RRTP)

2.4.1 The strategic housing priorities in this SHIP are aligned and consistent with the priorities detailed in the LHS and the Council's RRTP.

2.4.2 The RRTP is also embedded in the Aberdeen City Health and Social Care Partnership's Strategic Plan.

2.5 Child Poverty Action Plan

2.5.1 The Local Outcome Improvement Plan 2016-26 has been adopted as the local Child Poverty Action Plan for the years 2019-22. The SHIP links with the Child Poverty Action Plan and recognises that investment in the provision of affordable housing can reduce the costs of living which can directly impact on child poverty.

2.6 Buy-Back Policy

2.6.1 Aberdeen City Council will, under certain circumstances, purchase ex-council properties sold under the Right to Buy legislation, subject to certain criteria. Each application is judged on an individual case by case basis. All types, sizes and location of property are considered including multi storey, adapted and sheltered properties.

2.6.2 There are several reasons why the council might buy back a property, these are:

- An identified strategic need for this type and size of property; and
- Purchasing the property would demonstrate good asset management and represent value for money for the council.
- Properties are in areas designated for regeneration or demolition.
- The owner meets the criteria within the Scottish Government's Home Support Fund (Mortgage to Rent Scheme).
- Ownership consolidation where re-acquisition returns the block to full or majority Council ownership.
- Specialist accommodation such as fully wheelchair adapted properties or designated as amenity housing.

2.6.3 232 properties have been purchased through the buy-back scheme up to 31 March 2022.

2.7 City Centre Masterplan

- 2.7.1 The long-term ambition is to make the city centre in Aberdeen a more attractive place to live in; a healthy place where people want to live, work, and socialise. The aim is to create a city centre that takes advantage of under-utilised space and brings vitality by creating the conditions for a change in, or new uses for buildings.
- 2.7.2 Significant investment is taking place in the city centre as part of the City Centre Masterplan. Encouraging city centre living is a key part of this and actions have been taken to stimulate development. Since the interventions have taken place, 736 units have been approved with a further 288 applications pending a decision. Prior to the interventions, 37 units (1 application) was submitted between January - September 2018, 18 units (2 applications) during 2017, and 42 units (1 application) was submitted during 2016. The data therefore suggests that there has been a direct increase in the number of units submitted and consented within the city centre since the introduction of the interventions which has resulted in existing buildings being converted into residential use in the city centre.

2.8 Housing Need and Demand Assessment

- 2.8.1 The update of the Housing Need and Demand Assessment (HNDA) is underway. HNDA 3 will identify any additional requirements for larger family homes. Any identified requirements for larger family homes will be incorporated into the affordable housing developments as part of the SHIP process.

3. Aberdeen City SHIP 2023 – 2028

- 3.1 The Aberdeen City Affordable Housing Programme details a range of affordable housing projects including RSL and Council Social Rent. It also includes RSL mid-market rent, and LAR Housing Trust mid-market rent as well as Low-Cost Home Ownership (LCHO) which are properties that housing developers will deliver directly.
- 3.2 In order to monitor the deliverability of projects, the council meets on a regular basis with the Scottish Government and/or RSLs to ensure projects are progressing and to try to resolve any development constraints that arise which are slowing down or preventing delivery.

3.3 Officers of the council are also consulted on planning applications which presents opportunities to inform developers to contact RSLs at an early stage to discuss the affordable housing requirements. This is helpful because many of the projects coming forward in the SHIP are reliant on Section 75 Agreements being completed. Many of the RSLs in Aberdeen do not have the financial capacity to compete with developers to acquire sites for their own use, therefore the SHIP is reliant on Section 75 Agreements to deliver affordable housing.

3.4 Projects have been placed in the actual year they could start if resources were available.

3.5 Constraints

3.5.1 A combination of factors including ongoing market impacts from Covid & Brexit, current inflation rates and the invasion of Ukraine affecting access to supply markets in Russia, Ukraine, and surrounding area, have led to a cycle of market and price volatility and shortages across many commodities which is having a negative impact on the delivery of capital projects and budgets.

3.5.2 This market and price volatility has led to the decision by Council to pause four of the six council new build housing sites at the appropriate point. Each site is currently being assessed to determine when this pause will take place.

4. **Prioritisation**

4.1 Projects submitted have been assessed using the following criteria:

- The extent the projects help to achieve the priorities in the LHS.
- The tenure of projects, with preference given for those with social rented housing.
- Preference given to those projects which reflect the housing need and demand for that area.
- Preference given to developments that provide specialist accommodation including wheelchair accessible and housing with supported accommodation.
- Planning consent is in place and the site is owned by the developer.
- The site is in the Local Development Plan to ensure there will be no delays due to departures from Planning.
- The project can be delivered immediately subject to availability of resources.

5. Consultation

5.1 Aberdeen City Council, with the involvement of its key partners via the SHIP Working Group has prepared this SHIP submission. The SHIP illustrates how the council and its RSL partners will seek to deliver the city's affordable housing investment needs and priorities identified in the Aberdeen City Local Housing Strategy 2018-2023 over a rolling 5-year programme. The SHIP Working Group is the Council's key working group that is responsible for development of the SHIP and the ongoing review of new and current projects through collaboration with Scottish Government via quarterly meetings.

5.2 The RSLs who form part of the SHIP Working Group are:

- Castlehill Housing Association
- Grampian Housing Association
- Hillcrest Housing Association
- Langstane Housing Association
- Osprey Housing
- Places for People
- Sanctuary Housing Association

5.3 In addition to the SHIP Working Group, the Council consults with the Affordable Housing Forum whose members include developers, RSLs and Planning Officers when necessary.

6. Resources

6.1 Through the Affordable Housing Supply Programme, the Scottish Government has confirmed the Resource Planning Assumptions up to 2025/26. However, for planning purposes, the 2025/26 RPA has been used as the basis of funding for the final two years of this SHIP period.

Year	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Allocation(m)	£15.981	£16.037	£16.302	£16.302	£16.302	£80.924

6.2 The Affordable Housing Supply Programme will seek to maximise the delivery of affordable housing through all available housing streams. Partners will continue to investigate and implement new and innovative delivery mechanisms.

6.3 The delivery by the RSL sector is predicated on partnership working with house developers. The co-ordination of these developments with availability of

grant funding will continue to be a significant challenge and will need to be carefully managed to ensure the deliverability of the programme.

6.4 Discretion to Reduce Council Tax Discount on Second Homes and Long-Term Empty Properties

6.4.1 Local authorities have the discretion to reduce or retain the Council Tax discount on second homes and long-term empty properties. Aberdeen City Council uses this power, and the additional income is retained locally and used as grant funding for Aberdeen City Council for the provision of new-build affordable social housing and to fund the Empty Homes Officer post. The uncommitted balance is subject to a separate report at Committee to ensure the uncommitted available balance is used as part of the council new build.

6.4.2 Income received and paid up to 31 March 2022 is shown below.

	£
Income received	24,910,249
Paid to ACC	9,220,218
Paid to RSLs	2,478,643
Committed to ACC	10,541,417
Committed to RSLs	469,141
Empty Homes	150,608
Uncommitted Available Balance (at 31.3.22)	2,050,222 ¹

6.4.3 The Council Tax on second homes and long-term empty properties provided an income of £2.102m in 2021/22. Based on current void rates in both the private and public sector, projected annual income is assumed to be around this figure, but shall be closely monitored every year and assumptions adjusted accordingly. These funds are disbursed by the City Growth & Resources Committee to support the delivery of affordable housing.

6.5 Section 75 Affordable Housing Contributions

6.5.1 Section 75 agreements are provided through Section 75 of the Town and Country Planning (Scotland) Act 1997 and are negotiated through the planning process. Housing developers may, on occasion, be required to make a financial contribution towards affordable housing rather than delivering affordable housing on the specific site to which the planning permission applies.

6.5.2 Such agreements to date have provided an income as detailed at 6.5.3. These payments are linked to completions on site therefore it is difficult to accurately predict the total to be collected during 2022/23.

¹ The uncommitted balance is subject to a separate report to City Growth & Resources Committee requesting the uncommitted available balance is used as part of the council new build programme.

6.5.3 The table below details the Section 75 Funding to 31 March 2022.

Total Received (as at 31.3.22)	14,165,564
Grants previously paid to RSLs	3,613,801
Grants paid to ACC new build	9,524,428
Uncommitted Available Balance (at 31.3.22)	1,027,335 ²

6.5.4 These funds are disbursed by the City Growth & Resources Committee to support the delivery of affordable housing.

6.6 Local Authority Funding

6.6.1 The council is significantly investing in the delivery of affordable housing using funding from a variety of sources including Council Tax second homes and long-term empty properties detailed at 6.4 above, Developer Obligations detailed at 6.5 above, Council Housing Revenue Account – Capital from Current Revenue and Council Borrowing from Public Works Loan Board. These sources of funding alongside grant which may be available through the Affordable Housing Supply Programme will enable the council to deliver its ambitious new build programme.

7. **Wheelchair Accessible Housing**

7.1 Guidance issued by the Scottish Government states that local authorities must set a realistic target for the delivery of wheelchair accessible housing across all tenures. The first step of this process is to include a position statement in the SHIP that provides details of:

- What the current evidence base is regarding the requirement for wheelchair accessible housing, including any information gaps/further work required with plans to address identified need across all tenures.
- The intended approach to increase this provision and how it will be included within the LHS and Local Development Plan.
- The number of affordable wheelchair accessible homes the local authority plans to deliver over the next 5 years.

² The uncommitted balance is subject to a separate report to City Growth & Resources Committee requesting the uncommitted available balance is used as part of the council new build programme.

7.2 Evidence Base

7.2.1 The Housing Needs and Demand Assessment 2017 shows Aberdeen City Council has 516 wheelchair accessible properties in specialist accommodation (including sheltered and very sheltered) and 293 in 'mainstream' housing.

7.2.2 The Housing Needs Assessment Team (HNAT) assess and prioritise applicants with particular needs for Council housing. The table below shows the number of applicants and their housing requirements, including those who need fully wheelchair accessible accommodation. It shows that 1,358 households require ground floor accommodation, 119 require level access and 55 require full wheelchair accessible design.

Medical Recommendation	1	2	3	4	5	TOTAL
Ground floor recommendation	1,070	172	88	24	4	1,358
First floor recommendation	62	58	67	23	4	214
Level access required	75	26	15	3	0	119
Wheelchair accessible required	27	14	11	3	0	55
Able for stairlift	0	5	3	2	0	10
Community alarm recommended	17	5	0	0	0	22
Extra bedroom recommended	0	42	54	26	3	125
Any other recommendation	1,051	182	104	35	7	1,379
TOTAL	2,302	504	342	116	18	3,282

7.2.3 In 2021/22 there has been a 7.5% increase in the overall number of applicants applying for accessible housing rising from 3,048 to 3,282. This includes an 8.2% increase in applications for those requiring ground floor accommodation, increasing from 1,255 to 1,358: 2.5% increase for those applying for level access, rising from 116 to 119. The number of people applying for fully wheelchair accessible housing has decreased by 18% from 65 to 55 applicants. These figures demonstrate the ongoing requirement for accessible housing. It should be noted that the response to the pandemic and Covid-19 restrictions may have had an impact on the number of housing applications received during 2021/22.

7.2.4 The Council is committed to reducing waiting lists for accessible housing by working with its internal design team and RSL partners to ensure that the needs of those who are currently on the housing waiting lists for wheelchair accessible housing are met through the Affordable Housing Supply Programme.

7.2.5 There is robust information on the supply and demand for the Council's wheelchair accessible housing. Work is ongoing to establish the supply and demand for other sectors. Aberdeen City Council are working with registered social landlords, developers, and Disabled Person's Housing Service (DPHS) to establish a baseline. This work is being overseen by the Independent Living & Specialist Provision Strategic Group that delivers and monitors the Aberdeen City Local Housing Strategy's Joint Delivery Action Plan in relation to specialist provision housing.

7.3 Approach to increase provision

7.3.1 It is widely recognised that whilst new build housing is designed to meet Housing for Varying Needs Standards this does not always translate to wheelchair accessible housing.

7.3.2 Aberdeen City's Health and Social Care Partnership's Strategic Plan identifies the challenges of an ageing population and the desire to support people in a community setting. To meet these challenges an adequate supply of good quality accessible housing needs to be in place. The Housing Contribution Statement is now embedded into the refreshed [2022 – 2025 Strategic Plan](#). Housing's contribution is also articulated in the [Market Position Statement 2021 – 2026](#).

7.3.3 The intended approach is to increase the overall provision of wheelchair accessible properties and is articulated in the Local Housing Strategy 2018 – 2023. This sets a 15% target for delivery of wheelchair accessible social rented housing.

7.3.4 The target for wheelchair accessible housing in affordable housing is in place and engagement with private developers will continue, to encourage an increased provision of wheelchair accessible housing across all tenures. Scotland's Fourth National Planning Framework Position Statement states our policies should reflect our diverse housing and accommodation needs, including the housing needs of older people and disabled people. We will work with developers to encourage more wheelchair accessible homes through National Planning Framework 4.

7.4 Number of wheelchair accessible homes

7.4.1 The LHS identifies an affordable housing target with a minimum 15% being fully wheelchair accessible.

7.4.2 Aberdeen City Council has five developments ongoing at Cloverhill, Craighill, Kincorth, Kaimhill and Tillydrone which will have at least 15% of the homes as

fully wheelchair accessible which will significantly increase the numbers of wheelchair accessible homes across the city.

7.4.3 RSL partners are also encouraged to deliver a minimum 15% as fully wheelchair accessible where this is possible.

7.4.4 Based on the 15% target, there is the potential to provide 493 specialist provision properties which includes a commitment for 317 wheelchair accessible properties and includes 59 specialist provision properties for people who require supported accommodation through the SHIP by the council and RSL partners by 2027/28.

7.4.5 The table below shows wheelchair accessible housing for the Aberdeen City Council developments which are currently on-site.

Site	Total Units	Flats		Cottage Flats		Houses		W/C Accessible	
		1 bed	3 bed	1 bed	2 bed	3 bed	4 bed	Total	%
Cloverhill	536	7		10	38		26	81	15
Craighill	99	18	18					36	36
Kaimhill	35					6	8	14	40
Kincorth	212	49	12			17		78	37
Tillydrone	70	18	2			2		22	31
Total	952	92	32	10	38	25	34	231	24

7.4.6 In relation to the private sector, the Council will make the case for greater numbers of accessible homes to be delivered during the consultation on National Planning Framework 4 (NPF4). Engagement with private developers will continue to encourage an increased provision of fully wheelchair accessible housing in the private sector, in line with the requirements of NPF4.

8. SHIP Summary

8.1 The SHIP 2023 – 2028 has the potential to provide up to 3,287 new affordable homes which will deliver significantly more units than are suggested in the affordable housing supply targets identified in the Local Housing Strategy. This will significantly help meet housing need and demand across the city.

8.2 Table 1 - Years 2023/4 – 2027/28

8.2.1 This table shows there is the potential to complete 2,751 affordable units during this period. If all the projects were to go ahead there would be a requirement for grant subsidy of £125,680,000. Through the Affordable Housing Supply Programme, the Scottish Government has confirmed the Resource Planning Assumptions up to 2025/26. However, for planning purposes, the 2025/26 RPA has been used as the basis of funding for the final two years of this SHIP period.

Year	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Allocation(m)	£15.981	£16.037	£16.302	£16.302	£16.302	£80.924

8.2 Tables 2 & 3

8.2.1 These tables show potential projects which may be able to claim from the Housing Infrastructure Fund. One potential project at Greenferns has been identified for 350 homes.

8.3 Table 4 - Affordable Housing Projects Funded or Supported by Sources other than the RPA/TMDF Budget

8.3.1 This table shows there is one affordable housing project at Cloverhill of 536 homes to be funded completely out with the RPA.

8.4 Table 5.1- Council Tax Raised on Empty and Second Homes

8.4.1 The council continues to raise considerable funding for affordable housing through reducing the Council Tax discounts on empty and second homes and by applying the premium levy on long-term empty homes. The Council Tax income on second homes and long-term empty properties provided an income of £2.102 in 2021/22. These funds have committee approval to be disbursed to the council house new build programme.

8.5 Table - 5.2 Affordable Housing Policies (AHPs) Contributions

9.5.1 As part of Section 75 Agreements, developers can make a commuted payment in lieu of the provision of affordable housing. This funding is used to provide grant for affordable housing to RSL and Council projects. In 2021/22 £1,027,335 was received. These funds have committee approval to be disbursed to the council house new build programme.

9. Council Approval of SHIP

9.1 The SHIP and the associated spreadsheets 2023/24 – 2027/28 are recommended for approval by the City Growth & Resources Committee on 21 September 2022.