



## **AGENDA ITEM NO 14**

**REPORT NO IJB 86/24**

### **ANGUS INTEGRATION JOINT BOARD**

**18 DECEMBER 2024**

#### **ANGUS COUNCIL STRATEGIC HOUSING INVESTMENT PLAN 2025/26-2029/30**

**REPORT BY JILLIAN GALLOWAY, CHIEF OFFICER**

#### **1 ABSTRACT**

The purpose of this report is to inform the Angus Integration Joint Board with on Angus Council's Strategic Housing Investment Plan (SHIP) for 2025/26 – 2029/30.

The SHIP was approved by Angus Council's Communities Committee 26 November 2024

#### **2 ALIGNMENT TO THE STRATEGIC PLAN**

This report contributes to the following strategic priorities in the AIJB Strategic Commissioning Plan: -

- Prevention and Proactive Care
- Care Closer to Home
- Mental Health and Wellbeing & Substance Use Recovery

#### **3 RECOMMENDATION**

It is recommended that Angus Integration Joint Board note the Council's Strategic Housing Investment Plan for 2025/26-2029/30 as detailed in Appendix 1.

#### **4 BACKGROUND**

The core purpose of the SHIP is to set out the strategic investment priorities for affordable housing over a five-year period to achieve the strategic vision set out in the Angus Local Housing Strategy (LHS) 2023-28 that 'everyone in Angus has a good quality, safe, secure and warm home that they can afford'. The SHIP sits alongside the LHS 2023-28 as one of its core delivery mechanisms. The LHS 2023-28 was approved by Communities Committee in May 2023. Throughout the development of the LHS it became apparent that the issues and challenges identified could be divided into two themes – Places and People. Whilst the LHS did not bring about wholesale change, Angus Council's strategic priorities for housing now have a different balance. Housing supply targets based on the most recent housing need and demand evidence, which received robust and credible status in May 2023, have been set. As a result, there is an increased focus on making best use of existing stock and empty homes. In addition, there is an increased focus on the need for affordable housing solutions which also contribute to sustainability, including investing in the 20-minute neighbourhood concept and delivering net zero targets

The SHIP is prepared by the Council in its role as the Strategic Housing Authority and ensures that the Council, and its partners, deliver housing which meets the needs of the local community and informs Scottish Government investment decisions. Scottish Government guidance states that the SHIP should:

- Set out investment priorities for affordable housing, the methodology used for prioritisation, and how they will be delivered.

- Demonstrate how these investment priorities align with LHS 2023-28 outcomes, Rapid Re-housing Transition Plan priorities, and the local Child Poverty Action Report.
- Identify the resources required to deliver these priorities, including how we have used developer contributions and council tax on second and empty homes.
- Enable the involvement of key partners

The Scottish Government now announces the Resource Planning Assumption (RPA) on an annual basis to enable councils to plan the supply of affordable housing. This approach has replaced the previous method, which provided RPAs for multiple years. Delivery of the SHIP faces significant pressure due to the absence of a confirmed RPA for the lifetime of this SHIP period. In 2024/25 the Council's RPA was reduced, and as a result, the Council has been cautious in estimating our RPA levels across the entire new SHIP period. Planning and delivery efforts have been further complicated by the Scottish Government's update to the Affordable Housing Supply Programme (AHSP) benchmark rates announced on 10th October 2024

Delivery of the SHIP remains under sustained pressure due to the ongoing UK economic situation. The construction industry is currently impacted by the prevailing economic conditions nationwide. High rates of inflation, interest rates, and energy costs have increased construction costs and borrowing expenses. Material prices continue to be higher than in previous years and this, combined with increased salary levels, has had a direct consequential impact on the pricing level of tenders. Contractors have continued to experience difficulties in attracting and retaining staff due to ongoing shortages of suitably skilled workers and this has adversely impacted progress on some Angus Council projects. An increased level of tender response has continued into 2024/25 which suggests the overall picture, in terms of contractor capacity, shows continued signs of improvement. However, any signs of an improvement in terms of contractor capacity need to be tempered in the context of other pressures such as the cost-of-living crisis and increasing borrowing costs. This means that all social housing providers will continue to be careful when assessing their capital investment programmes.

The Council was required to submit its SHIP to the Scottish Government by Friday 25th October 2024. This was done subject to Communities Committee approval and any changes required will be reported to the Scottish Government. Following approval, the SHIP will form the basis of the Strategic Local Programme Agreement (SLPA) with the Scottish Government. The SLPA sets out the programme of housing projects that will be funded and will be reviewed and updated annually to ensure delivery remains on track.

Angus Health and Social Care Partnership (AHSCP) have operational responsibility for the Homeless Prevention and Solutions Team and provide support to service users with identified housing needs alongside other identified support needs. The team work closely with colleagues in Angus Council's Housing Service to identify suitable property and accommodation for our service users. AHSCP are a key partner for Angus Council regarding setting the course of housing provision for those who are homeless, require adaptation and as such have an important role in the development and working of the SHIP.

## **5 CURRENT POSITION**

Year 2023/24 coincided with the launch of the LHS 2023-28. During this period, 66 new build units were delivered across Angus, representing an increase of 40% from the previous financial year. However, despite this increase in new builds delivered, the total return is still lower than the Council's target. This shortfall can be recognised as a direct consequence of the several factors outlined within the Strategic Context sections of last and this year's SHIP.

The Council and RSL partners continue to face a challenging operating environment due to the ongoing UK economic situation and supply chain issues which are having cost and time implications. Despite these challenges the Council were able to spend 97% (£8.799m) of the Affordable Housing Supply Programme (AHSP) funding allocation of £9.017m. This should be considered a positive outcome compared to the 74% spend of the funding allocation in 2022/23.

In February 2024, the Scottish Budget was approved by Parliament, ensuring funding can be targeted towards the missions of supporting public services, growing the economy, and tackling poverty. As part of the budget-setting process, the Scottish Government cut its Affordable Housing Supply Programme. The grant programme for new affordable homes was

down 26% nationally for 2024/25. These reductions have constrained resources, severely restricted the opportunity to bring new projects into the programme whilst also delaying some projects starting, significantly affecting the availability and delivery of affordable housing for those in need.

On 10th October 2024, the Scottish Government announced changes to the AHSP benchmarks<sup>1</sup>, increasing baseline and existing additional quality measure rates by 5%. Although the benchmark rates have changed with immediate effect, there has been no corresponding increase to the allocated RPA. While an increased benchmark is welcome, without a known RPA or corresponding increase the announcement adds to the pressures already being experienced.

“Off the shelf” units continued to be an emerging opportunity available to both the Council and RSL partners which has enabled the purchase of additional units for Social Rent. A RSL partner recently acquired six additional units for Social Rent in Brechin. The Council continue to explore opportunities to purchase “off the shelf” units through the Housing Development Policy Framework. Currently, one opportunity is being considered that would allow the purchase of a property to support with rehousing efforts in Brechin following the impact of Storm Babet.

Repurposing existing stock to meet the needs of Council applicants is also playing a small role within the SHIP. Conversion projects are approved on an annual basis against the allocated grant amount. One project completed in financial year 2023/24. Two projects were approved for 2024/25, meaning a total of 7 projects are expected to be completed and handed over within financial year 2024/25. These projects enable us to convert properties into more suitable housing to meet the needs of our applicants and will continue to supplement our new build programme in the future. This supports the Government's strategy Housing to 2040 which has a strong focus on improving the long-term sustainability of existing housing stock.

Currently, Angus Homeless Prevention and Solutions Team as part of AHSCP are supporting an increased number of individuals who are registered as homeless., Due to pressure on resources, there is an increase in the use of Bed and Breakfast options as a means of providing accommodation. Noting the challenges above, there will likely be future pressure on existing resources and the need to develop more long-term housing stock in Angus that supports homeless people into accommodation. AHSCP also have a role in supporting the Rapid Rehousing and assessments for adaptations to homes.

## 6 PROPOSALS

The SHIP estimates that around 330 units could be delivered in the period to 2029/30. The projected delivery represents around a 38% reduction from last year's projection. One significant cause of this reduction is the removal of projects (123 units in total) to align with the Council's estimated availability of Scottish Government funds.

AHSCP are currently involved in the development and implementation of the SHIP through the Homeless Prevention and Solutions Team and teams supporting the adaptations required will continue to be an active participant in this work alongside colleagues in Angus Council and will advocate and raise the needs of those who receive support from our team as part of the wider housing plans and developments in Angus.

## 7 FINANCIAL IMPLICATIONS

There are no direct financial implications arising because of the SHIP 2025/26-2029/30.

## 8 RISK MANAGEMENT

Although there is no specific strategic risk in relation to the Angus Strategic Housing Investment plan this work links closing with Priority 2 of the Strategic Delivery Plan - Care Closer to Home. SR28 describes the mitigation in place.

<b>Risk Description</b>	<b>SR28 Strategic Commissioning Plan (SCP)</b> As a result of significant financial and workforce pressures there is a risk that Angus Integration Joint Board (AIJB) will fail to meet the ambitions outlined within the Strategic Commissioning Plan 2023 - 2026 and deliver on the priorities outlined in the SCP. This would
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	result in a failure to improve the health and wellbeing outcomes of the population of Angus.
<b>Risk Category</b>	Quality of care
<b>Inherent Risk Level</b>	Level Likelihood <b>5</b> x Impact <b>5</b> = Risk Scoring <b>25 (Extreme risk level)</b> .
<b>Mitigating Actions</b>	<ul style="list-style-type: none"> <li>• Ongoing dialogue with NHS Tayside, Angus Council, Scottish Government and via national forums. Identify and progress actions within the Strategic Delivery Plan to ensure services improve the experience for service users, improve the experience for staff, lead to better health outcomes and lower the cost of care.</li> <li>• Strategic Planning Group - overseeing the delivery of the Strategic Commissioning Plan.</li> <li>• Strategic Delivery Group and Strategic Performance Group - overseeing the delivery of all priorities ensuring they are on target and make a positive impact on national indicators and local performance indicators.</li> </ul>
<b>Residual Risk Level</b>	Likelihood <b>5</b> x Impact <b>4</b> = Risk Scoring <b>20 (Major risk level)</b>
<b>Planned Risk Level</b>	Likelihood <b>3</b> x Impact <b>4</b> = Risk Scoring <b>12 (Major risk level)</b>
<b>Approval recommendation</b>	Scheduled reporting and monitoring will continue alongside the further development of risk mitigation actions to further reduce this risk.

## 9 PUBLIC HEALTH IMPLICATIONS

Public Health Scotland advise that Housing is central to improving health and tackling health inequalities in Scotland. The right to an adequate standard of housing is linked to the right to the highest attainable standard of health.

## 10 CLIMATE SUSTAINABILITY IMPLICATIONS

There are no direct environmental implications arising from the recommendations of this report.

## 11 EQUALITY IMPACT ASSESSMENT, CHILDREN'S RIGHTS AND FAIRER SCOTLAND DUTY

A screening assessment has been undertaken, and a full combined Equality Impact Assessment is required and has been completed by Angus Council (Appendix 2)

## 12 COMMUNICATION AND ENGAGEMENT

Not applicable

## 13 DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

<b>Direction Required to Angus Council, NHS Tayside or Both</b>	<b>Direction to:</b>	
	No Direction Required	x
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

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List of Appendices:

Appendix 1 – [Strategic Housing Investment Plan 2025/26 - 2029/30](#)

Appendix 2 – [Combined Equality Impact Statement](#)