AGENDA ITEM NO 8
REPORT NO 646/11

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 6 OCTOBER 2011

SURVIVE AND THRIVE – PROGRESS REPORT

REPORT BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES

**ABSTRACT:** This report outlines progress being made with the Council’s Survive and Thrive Initiative fund.

1. **RECOMMENDATION**

1.1 It is recommended that Members:

(i) note the contents of this report.

2. **BACKGROUND**

2.1 Members will be aware that the Council’s Survive and Thrive Initiative is intended to support the local business sector by stimulating construction activity and at the same time help to meet the strategic aim of increasing affordable housing supply. The objective is to enable moves from within social housing stock (Council or RSL) which will create a chain of opportunities for people currently on the waiting list. Prudential borrowing of up to a maximum of £3.2m has been identified to deliver the initiative, generated through savings from the Housing Division’s staff re-structure.

2.2 At the Neighbourhood Services Committee on 26th May 2011, Members agreed the principles and criteria (set out in Table 1 below) for assessing submissions and also agreed to delegate authority to the Director of Neighbourhood Services in conjunction with the Director of Corporate Services and the Head of Finance for assessing funding submissions and allocating funding to specific proposals.

2.3 **Table 1 - Assessment Principles**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Criteria</th>
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<tr>
<td>1. Developer is a legally established entity, financially stable and with sufficient turnover relevant to the project or equivalent, including sufficient finance to carry out the development.</td>
<td>Evidence of sound financial accounts, borrowing approval from financial backer, legal status and probity of organisation, ownership of site.</td>
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<tr>
<td>2. Developer has sufficient resources, capability and experience.</td>
<td>Number and range of sites previously developed.</td>
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<td>3. Developer has a track record in employing a local workforce and apprentices.</td>
<td>Number of employees and apprentices currently employed and colleges attended.</td>
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<td>4. New homes will be provided in areas of need to meet the demand assessment, within the Angus Council area.</td>
<td>Number of homes in housing market areas – a spread to be achieved in line with LHS, SHIP, HNDA and with Council new build programme.</td>
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<tr>
<td>5. Homes will provide a good range of types to meet varying household profiles.</td>
<td>Number of beds, storeys, form appropriate to site.</td>
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<tr>
<td>6. Developer demonstrates well developed plans to ensure delivery within timescales.</td>
<td>Site is in developer ownership. Is zoned for residential use. Planning permission/building warrant in place? Achievable programme.</td>
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<tr>
<td>7. High quality homes.</td>
<td>Demonstrate accessibility, environmental sustainability, NHBC or third party warranty conforms to Building Regulations.</td>
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<tr>
<td>8. Cost of new homes is affordable and subsidy delivers maximum number of units.</td>
<td>Best value is demonstrated by construction cost per sq m, land value, proposed sale</td>
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</table>
9. Finance models will offer varied tenure opportunity across all parts of the local housing market. Finance model is within acceptable risk limits, have been successfully followed elsewhere and for leasing, will provide long-term benefits to re-invest funds into the housing economy.

10. The entire fund should not be provided to only one partner.

2.4 Subsequently the initiative was publicised on the e-procurement website along with full guidance for applicants and submissions invited by the deadline of 29th July 2011.

3. PROGRESS

3.1 A total of 10 submissions were received from 9 developer organisations for helping to fund a total of 129 housing units. These are being carefully considered by an assessment panel consisting of Officers from Housing, Finance, Law and Administration, Property and Planning & Transport.

3.2 The submissions are being assessed against the principles and criteria using a scoring matrix which includes a number of minimum requirements for each applicant to meet. However, none of the submissions provided sufficient information initially for a full and complete assessment to be made. Consequently, the Council wrote to all applicants asking for additional information specific to their proposals, with responses to be provided by 26 August 2011.

3.3 A wide range of schemes have been proposed and the innovative and complex nature of the financial, legal and operational arrangements varies considerably between them. As this initiative represents a significant investment by the Council, the assessment team are proceeding carefully so that the details of each submission can be fully clarified and robust due diligence carried out, before funds are formally offered. The outcome of the final assessment will be reported to a future Committee.

3.4 Property Implication - there are no implications for the Council’s property assets arising from this report.

4. RISKS

4.1 A risk assessment is not appropriate until the outcome of the submission process is complete.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising from this report.

6. HUMAN RIGHTS IMPLICATIONS

6.1 There are no Human Rights implications for the Council arising directly from this report.

7. EQUALITIES IMPLICATIONS

7.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective, and the report is regarded as exempt.

8. ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT

8.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2011-2014:-

- We have a sustainable economy with good employment opportunities;
- Our communities are developed in a sustainable manner.

9. CONSULTATION

9.1 The Chief Executive, Director of Corporate Services, Director of Infrastructure Services, Head of Finance and Head of Law & Administration have been consulted in the preparation of this report.
10. CONCLUSION

10.1 The funding mechanism generated by the Survive and Thrive agenda will provide a much needed injection into the local economy in terms of construction activity and at the same time is a clear demonstration of the Council’s commitment to using innovative ways of increasing the supply of affordable housing. The Council, however, as part of its duty on due diligence, is carrying out a full and comprehensive assessment of all submissions before funding is awarded, to ensure that sufficient return on public subsidy is obtained.

RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES

NOTE: The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparation of this report:-

• Report No. 894/10 – “Survive and Thrive – Further Housing Contribution”
• Report No. 365/11 – “Survive and Thrive – progress on the new build approach to housing in Angus”

Hsg/NS/AMcK/JM