

HELENSBURGH EAST KING STREET AFFORDABLE HOUSING UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to provide an update on the progress on the 12 unit affordable housing development being delivered by Dunbritton Housing Association at a site on East King Street in Helensburgh and to request further funding.
- 1.2 The report confirms the high level of housing need and demand in the Helensburgh and Lomond area which demonstrates the importance of this affordable housing development being delivered. The report then goes on to demonstrate that further Strategic Housing Fund investment is key to facilitating this much needed affordable housing proposal.

RECOMMENDATIONS

It is recommended that the Council:-

- Authorise a payment to Dunbritton Housing Association of £26,350 from the Strategic Housing Fund to enable the development of 12 affordable houses in Helensburgh. This is in addition to the £12,000 per unit already approved from the Strategic Housing Fund.

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2.0 INTRODUCTION

- 2.1 Argyll and Bute Council has identified a high level of housing need and demand in the Helensburgh and Lomond area. As a result a project was included in the Strategic Housing Investment Plan which enables Dunbritton Housing Association to obtain Scottish Government funding through the Resource Planning Assumption (RPA) to build 12 houses for affordable rent at a site on East King Street in the centre of Helensburgh. Planning permission has been obtained and Dunbritton are ready to deliver the project.
- 2.2 A level of funding has been offered by the Scottish Government in addition to the Dunbritton Housing Association private funding contribution and the Strategic Housing Fund Officer's Mandate £12,000 per unit, but there is still a funding gap to address in order to be able to deliver the 12 affordable houses.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Council:-
- Authorise a payment to Dunbritton Housing Association of £26,350 from the Strategic Housing Fund to enable the development of 12 affordable houses in Helensburgh. This is in addition to the £12,000 per unit already approved from the Strategic Housing Fund.

4.0 DETAIL**4.1 Context**

An affordable housing need has been identified in Helensburgh and various projects have had representation in the Council's Strategic Housing Investment Plan (SHIP). Dunbritton Housing Association has had an interest to develop this project as the site is in the existing settlement area of Helensburgh and the owner was willing to sell the site to the Association.

- 4.2 The site on East King Street has been purchased by Dunbritton Housing Association and planning permission has been granted to deliver 12 affordable housing units on the site.
- 4.3 Since the initial grant applications, the tender price has gone up in line with the high levels of inflation being experienced between July 2021 and December 2022.
- 4.4 The Scottish Government has increased the level of grant that it would be willing to offer to deliver the 12 affordable houses and Dunbritton Housing Association has maximized its available private finance contribution. However, this still results in a shortfall of £26,350. The Strategic Housing Fund has already committed the Officer's mandate of £12,000 which equates to £144 000. As a result there is an additional ask of the Strategic Housing Fund of £26,350 which would bridge the shortfall and enable this significant affordable housing project to go ahead.
- 4.5 The Council has previously approved significant Strategic Housing Fund contributions to enable delivery of affordable housing in areas of high housing need in the local authority Area. In 2016 an award of £361,000 was granted to enable the delivery of 5 affordable houses on Iona. In 2018 an award of £941,272 was granted to enable the delivery of 26 affordable houses in Arrochar. In 2021 an award of £168,999 was made to West Highland to enable the delivery of 5 affordable houses on Colonsay.
- 4.6 Background: Housing Need and Demand in Helensburgh - As the strategic housing authority for Argyll and Bute, the Council has a statutory duty to assess the need and demand for housing in the area and to ensure that any unmet need for affordable housing is addressed through the Local Housing Strategy (LHS) and the SHIP. Helensburgh has been identified as a priority in the LHS and SHIP and continues to exhibit relatively high levels of need and demand, and significant imbalances in the local housing system.
- 4.7 Expressed demand for RSL housing is registered via the HOMEArgyll waiting list. A report presented to the Helensburgh and Lomond Area Committee on 14th March 2023 stated that there were 441 households on the waiting list for social housing with housing need. 51% of the applicants require a one bedroom property and 26% of applicants require a two bedroom property. The East King Street project comprises 8 one bedroom properties and 4 two bedroom properties thus helping to directly address the expressed housing need in the Area.

5.0 CONCLUSION

- 5.1 The Committee is asked to approve the recommendation set out in Section 3 based on the evidence supplied within this report with the purpose of enabling the delivery of a much needed affordable housing development in Helensburgh.

6.0 IMPLICATIONS

- 6.1 **Policy:** The proposal is consistent with current Council policy including the SHIP which supports the Local Housing Strategy vision and outcomes which are directly aligned with the overarching objectives of the Outcome Improvement Plan, in particular Outcome 2 – we have infrastructure that supports sustainable growth. The proposal does exceed the delegated Officer approval for the use of the Strategic Housing Fund to enable the delivery of affordable housing which is £12,000 per unit.
- 6.2 **Financial:** The level of additional funding is requested in the report and there are sufficient funds in the Strategic Housing Fund to support the proposal.
- 6.3 **Legal:** None.
- 6.4 **HR:** None.
- 6.5 **Equalities(Fairer Scotland Duty):** The proposals are consistent with aims and objectives set out in the local housing strategy, which is subject to an EQIA.
- 6.5.1 **Equalities – protected characteristics** There are targets set within the SHIP to deliver housing which meet the needs of specialist groups
- 6.5.2 **Socio-economic Duty** The delivery of affordable housing across Argyll and Bute facilitates socio-economic opportunities for all. The SHIP links with the Child Poverty Strategy.
- 6.5.3 **Islands** The Housing Needs and Demand Assessment process takes full account of housing need on the islands. This proposal does not link directly to housing delivery on the islands.
- 6.6 **Risk:** Risk assessment is an integral part of each affordable housing development. The risk of not approving the Strategic Housing Fund request contained in the report is that the 12 affordable houses proposed at East King Street Helensburgh will not be delivered.
- 6.7 **Climate Change:** The houses will be built to the latest Social

Housing standards of insulation and energy efficiency, exceeding the current building regulations.

- 6.8 **Customer Service:** The proposals will deliver increased access to a range of suitable, affordable housing options.

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