

STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2024/25 - 2028/29

1.0 EXECUTIVE SUMMARY

- 1.1 This report details the proposed annual Strategic Housing Investment Plan which will cover the period 2024/25 - 2028/29 and summarises the proposals for the revised SHIP, in line with statutory requirements and the latest guidance.
- 1.2 The SHIP document required to be submitted to the Scottish Government on 27th October 2023. The Strategic Housing Investment Plan, as attached at Appendix 1, was submitted to comply with that deadline on the basis of it being subject to ratification by the Council at their meeting on 23 November 2023.
- 1.3 In July 2021 The Scottish Government allocated Resource Planning Assumptions (RPAs) to local authorities for the five years to the end of March 2026. The Scottish Government have confirmed that the figures for 2027, 2028 and 2029 can be based on the allocations from previous years although they are not formal definitive allocations:

Year	2024/25	2025/26	2026/27	2027/28	2028/29	Total
RPA	£18.328m	£18.632m	£18.632m	£18.632m	£18.632m	£92.856m

- 1.4 In 2022/23, the SHIP delivered 180 new affordable homes. This SHIP identifies potential for around 106 units to be completed in 2023/24 and over 1000 additional homes to be completed or approved in subsequent years.
- 1.5 As well as addressing unmet local need and contributing to national targets, the proposed programme will:
- generate additional investment in the local economy, support additional jobs including new apprenticeships in the construction sector and associated labour market;
 - stimulate community regeneration and sustainability;
 - help to attract and retain residents and employees for local businesses;
 - encourage movement within, and more effective operation of, the local housing system;
 - also contribute to improving general health and well-being;

- generate additional Council tax revenue.

RECOMMENDATION

It is recommended that the Council:

Approve the SHIP 2024/25 – 2028/29 which will then be submitted to the Scottish Government as the Council's approved SHIP document.

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2.0 INTRODUCTION

- 2.1 The core purpose of the SHIP is to set out strategic investment priorities for affordable housing over a five year period to achieve the outcomes set out in the Local Housing Strategy.
- 2.2 The SHIP document required to be submitted to the Scottish Government on 27th October 2023. The Strategic Housing Investment Plan, as attached at Appendix 1, was submitted to comply with that deadline on the basis of it being subject to ratification by the Council at their meeting on 23 November 2023.
- 2.3 The SHIP remains a continuous, iterative process: individual projects are subject to a variety of factors which can lead to slippage or revision; and the overall programme requires constant monitoring. Formal updates are now required on an annual basis.
- 2.4 The revised SHIP has potential for delivery of around 106 units in 2023/24, and over 1000 new affordable homes in subsequent years.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council:

Approve the SHIP 2024/25 – 2028/29 which will then be submitted to the Scottish Government as the Council's approved SHIP document.

4.0 DETAIL

- 4.1 From 2017, the Scottish Government, COSLA and Association of Local Authority Chief Housing Officers (ALACHO) agreed that SHIPs would revert to being submitted on an annual basis. In June 2023 revised guidance was issued to assist local authorities prepare their SHIPs, with a requirement to submit to

Scottish Government by October 2023. Our SHIP was submitted noting that we would be seeking Council approval in November.

- 4.2 The Local Housing Strategy (LHS) sets out the strategic policy approach of the council and its partners to delivering high quality housing and related services across all tenures to meet identified need in the area. SHIPs are directly informed by the LHS and its policies and are developed in consultation with key stakeholders. Therefore, the SHIP is operational in nature and not considered as a policy document.
- 4.3 The core purpose of the SHIP remains to set out strategic investment priorities for affordable housing over a five year period to achieve the outcomes contained in the LHS. The plan reinforces the council as the strategic housing authority; the importance of the outcomes and targets set out in the LHS; and informs Scottish Government investment decisions.
- 4.4 The SHIP should therefore:-
- Set out 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.

The SHIP should contain a succinct narrative in PDF form, submitted as a supporting document to the SHIP in the Housing and Regeneration Programme (HARP) system, which explains the context to the SHIP including:

- A statement on alignment with the LHS demonstrating that priorities identified in the SHIP are consistent with what the local authority outlined in its LHS (and any subsequent updates) and how the SHIP priorities will contribute to delivery of LHS Outcomes;
- A summary of the methodology used to prioritise projects;
- Details of how the local authority has responded to and resolved development constraints on projects prior to the site start date;
- Details on how the local authority's own resources and other funding are supporting the delivery of affordable housing in its area;
- Details of progress towards the delivery of its Affordable Housing Supply Programme across all tenures by completions;
- Details of affordable housing projects for Gypsy/Travellers;
- Details of Housing Infrastructure Fund projects where these are linked to affordable housing delivery;
- Details of local plans to support the delivery of wheelchair accessible housing within its area;
- A statement that strategic housing priorities are aligned and are consistent with Rapid Rehousing Transition Plan priorities;

- Details of affordable housing projects that are aligned with the local authority's Child Poverty Action Report;
- Details that duties under the Islands (Scotland) Act have been followed by the local authority if appropriate;
- Details of any empty homes services and actions to bring homes back into use;
- Details of how Council Tax on Second and Empty Homes has been used to assist affordable housing;
- Details of how Developer Contributions have been used to assist affordable housing;
- The type and level of consultation undertaken with RSLs, communities, developers and other stakeholders in developing the SHIP and how this has helped with the development of strategic investment priorities.

4.5 **Key Aspects of the SHIP Guidance Issued in June 2023**

Building on previous guidance, the Scottish Government's most recent guidance includes an emphasis on ensuring that any specific requirements for key worker housing and the actions that the Council and its RSL partners will take forward over the period of the SHIP.

The guidance makes reference to the Affordable Rural Homes for Key Workers Fund which was announced in April 2023. Council officers are in discussion with the Scottish Government over several housing projects which they consider may be eligible for the Fund.

The guidance also requires details on how the SHIP supports and enables the local authority to deliver duties required under the Islands Act.

The guidance continues to include an enhanced emphasis on the delivery of wheelchair accessible housing in support of action 62 of the Fairer Scotland for Disabled People Action Plan.

The latest guidance continues to emphasize the specific linkages between the SHIP process and the duty on local authorities to produce Rapid Rehousing Transition Plans, essentially ensuring that the delivery of the SHIP will have direct impact on homelessness in the local authority area.

4.6 **Resource Planning Assumptions (RPAs).**

In July 2021 The Scottish Government allocated Resource Planning Assumptions (RPAs) to local authorities for the five years to the end of March 2026. The Scottish Government have confirmed that the figures for 2027, 2028 and 2029 can be based on the allocations from previous years although they are not formal definitive allocations:

Year	2024/25	2025/26	2026/27	2027/28	2028/29	Total
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It should be noted that this is potential investment for Argyll and Bute, dependent on actual need and deliverability of suitable projects. While obviously very welcome, this level of funding will also present real challenges for the Council and its partners. This would be subject to sufficient complementary funding being available from the Council and RSLs themselves to support the programme; and the capacity of the constrained local construction industry to gear up to such an enhanced level of productivity. Officers will continue to explore with Scottish Government and through COSLA, areas of flexibility in uses of the RPA which will help us to maximise its utilisation.

- 4.7 Additional funding is required to complement the Scottish Government investment, and in Argyll and Bute this includes a contribution from the Council's Strategic Housing Fund (SHF) as well as Housing Association investment drawn from private sector borrowing. The council's SHF is primarily based on the revenue raised from reduced tax discounts on holiday and second homes. The SHIP sets out plans to fully utilise the SHF over 5 years to support the affordable housing development programme, including empty homes grants and loans. The projected income to the SHF over the next 3 years is approximately £2m per annum. An indicative estimate of around £2.29m would be required to support in full the Scottish Government investment outlined in the 2024/25 RPA above based on the Scottish Government's updated baseline benchmark of £95,500 per unit.

4.8 **Consultation and Collaboration**

The preparation of the SHIP is intended to be viewed as a corporate activity with close working relationships fostered across housing, planning, economic development and other internal services. It is also crucial that the SHIP process is based on collaboration between the Council, RSLs, communities, developers, the Scottish Government and other stakeholders such as the Health and Social Care Partnership; and that the SHIP document should provide a detailed narrative about how consultation and collaboration has been undertaken with all stakeholders. In Argyll and Bute, while the Council remains the strategic authority with overall responsibility for the plan, local RSLs and developers are engaged formally and informally throughout the process, and do lead on delivering most of the individual projects. Regular review meetings are held with SHIP officers from the Council, RSLs, and the Scottish Government, and all proposals and decisions are considered by the overarching, multi-agency Strategic Housing Forum. Updates are also being tabled at local area community planning groups; and at the level of specific projects, sites and settlements, a range of community representatives and individual residents are routinely engaged and consulted. In recent years, a

number of local community councils and development trusts have pro-actively engaged in the SHIP process, undertaking localised Housing Need and Demand Assessments (HNDAs), with Council support, to feed into the process and contributing to discussions on the project proposals. Additional engagement has been promoted across the local business sector.

- 4.9 A primary focus for the new SHIP has been continued engagement with the Health and Social Care Partnership (HSCP) to ensure adequate specialist provision is included in the new build programme. The HSCP's new 3 year strategic plan was launched in 2022 and incorporates a Housing Contribution Statement (HCS) outlining the essential role housing plays in supporting and maintaining independence, health and well-being of residents. The current LHS consolidates the partnership working with the HSCP and sets out a high-level outcome which is:

“To enable people with particular needs to live independently in their own homes and to remain in their communities”

The post of dedicated Housing Occupational Therapist which was established in October 2018 to co-ordinate and promote these needs through the SHIP group, was made permanent in 2021.

4.10 **Housing Infrastructure Fund (HIF)**

The Scottish Government introduced a Housing Infrastructure Fund in 2016 to support housing development through dedicated loans and grants. The HIF will prioritise sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works. The Council secured a £2.1 million HIF grant to address the costs of upgrade works at Kirk Road/Lorn Road. This work is now complete and has enabled delivery of the 300 unit affordable housing development at Dunbeg, which remains a high strategic priority for the Council and its partners. The SHIP annual update contains proposals for 4 further HIF projects in Argyll.

4.11 **Other Affordable Housing Provided Without Affordable Housing Supply Programme (AHSP) Assistance**

SHIPs should contain details of all proposed affordable housing projects within the local authority area including those which will be provided without AHSP support. This could include off the shelf purchases, buybacks of ex-council/RSL stock, projects where councils have exclusively used their own resources, pension funds or other sources of funding, including Scottish Government non-AHSP funds to develop housing.

The Council will continue to explore these and all other appropriate options to increase the supply of affordable housing. The Council agreed an Open Market

Purchase Statement with the Scottish Government in January 2022. In June 2023 the Council launched a buy back initiative in partnership with the local RSLs. 26 enquiries have been received as at the end of September.

SHF has contributed to 3 Rural and Islands Housing Fund projects in Argyll during 2022/23 – the refurbishment of 5 properties for affordable rent at Glengorm, Mull, the development of 9 affordable houses on Colonsay and the development of 5 affordable houses on Gigha. In addition a Community Housing Network Group has been established by the Council to support community groups to take forward housing projects which meet identified need.

The potential impact of the Rural Growth Deal (RGD) for Argyll and Bute will be significant, and the SHIP and the housing sector in general can contribute to this strategic agenda.

4.12 Current Progress: Outputs 2022/2023

Table 1 details the affordable housing delivered by the SHIP in 2022/23.

TABLE 1: SHIP New Build Homes by HMA & Project, 2022/23

Project address	Developer	Units
Sawmill Field Helensburgh	LORETTO	36
Dunbeg Phase 3 (remaining units)	LINK	119
Jura	WHHA	10
Millknowe Campbeltown	ACHA	1
Oakfield, Tarbert	ACHA	4
Inveraray	ACHA	10
Argyll & Bute 2022/23 Total Completions (est.)		180

4.13 The Revised SHIP Programme

The current year, 2023/24, is covered by a Strategic Local Programme Agreement while the new SHIP is intended to commence from 2024/25. The following tables summarise all proposals at the time of writing, including those projects which were completed in the first quarters of this year and for which funding has already been drawn down. It should be noted that the status of many future projects, particularly in the later years, remains provisional and purely indicative at this stage; some may not proceed within the timescale. However there is also scope for additional proposals to be brought forward or included in earlier years.

TABLE 2: SHIP Projects Completions/Anticipated Completions in 2023/24

Project address	Developer	Units	Anticipated Completion Date
Eton Avenue, Dunoon	ACHA	4	October 2023
Dunbeg Phase 3 (remaining units)	LINK	66	August 2023
Imeraval Phase 4 Islay	WHHA	20	March 2024
Port Appin	WHHA	6	March 2024
Buyback Acquisitions	ACHA	8	March 2024
Buyback Acquisitions	FH	2	March 2024
Argyll & Bute 2023/24 Total Completions (est.)		106	March 2024

TABLE 3: SHIP Core Programme - Potential Completions by March 2029

Project Address	Developer	Total Units	Anticipated Completion
Bowmore Phase 4	ACHA	17	Year 1 (24/25)
Dalintober, Campbeltown	ACHA	20	Year 1 (24/25)
Acquisitions	ACHA	5	Year 1 (24/25)
Tighcargaman, Port Ellen	ACHA	50	Year 2 (25/26)
East Clyde Street, Helensburgh	ACHA	14	Year 2 (25/26)
Coll	ACHA	10	Year 2 (25/26)
Acquisitions	ACHA	10	Year 2 (25/26)
Glenmachrie, Islay	ACHA	10	Year 3 (26/27)
Tarbert Phase 1	ACHA	15	Year 3 (26/27)
Kilcreggan	ACHA	10	Year 3 (26/27)
Tayvallich	ACHA	10	Year 3 (26/27)
Dunoon Phase 1	ACHA	35	Year 3 (26/27)
Keils, ISLAY	ACHA	4	Year 4 (27/28)
Tarbert Phase 2	ACHA	15	Year 4 (27/28)
Tiree	ACHA	10	Year 4 (27/28)
Dunoon Phase 2	ACHA	35	Year 4 (27/28)
Dunoon Phase 3	ACHA	30	Year 5 (28/29)
Dunoon Phase 4	ACHA	20	Year 5 (28/29)
Jeanie Deans, Helensburgh	DUNBRITTON HA	12	Year 1 (24/25)
18th Tee, Helensburgh Golf Club	DUNBRITTON HA	16	Year 2 (25/26)
Cardross	DUNBRITTON HA	35	Year 3 (26/27)
Helensburgh Golf Club	DUNBRITTON HA	62	Year 5 (28/29)
Succoth Phase 2, Arrochar	DUNBRITTON HA	12	Year 5 (28/29)
Riverside Drive, Lochgilphead (Baddens)	FYNE HOMES	6	Year 1 (24/25)
Ballochgoy	FYNE HOMES	8	Year 1 (24/25)
Rothesay - acquisition	FYNE HOMES	8	Year 1 (24/25)
Inveraray Phase 1	FYNE HOMES	16	Year 2 (25/26)

Rothesay Academy	FYNE HOMES	50	Year 4 (27/28)
Lochgilphead Phase 6	FYNE HOMES	80	Year 4 (27/28)
Inveraray Phase 2	FYNE HOMES	10	Year 4 (27/28)
Rothesay Academy Phase 2	FYNE HOMES	30	Year 5 (28/29)
Tighnabruaich Phase 2	FYNE HOMES	10	Year 5 (28/29)
Rosneath	LINK GROUP	49	Year 2 (25/26)
Hospital Field, Oban	LINK GROUP	50	Year 3 (26/27)
Dunbeg Phase 4	LINK GROUP	129	Year 3 (26/27)
Glencruitten	LINK GROUP	100	Year 3 (26/27)
Dunbeg Phase 5	LINK GROUP	97	Year 4 (27/28)
Dunbeg Phase 6	LINK GROUP	123	Year 5 (28/29)
Colonsay	WHHA	5	Year 1 (24/25)
Port Charlotte Phase 1	WHHA	16	Year 2 (25/26)
Imeraval Phase 5	WHHA	20	Year 2 (25/26)
Tobermory Shillinghill Phase 3	WHHA	10	Year 2 (25/26)
Dalmally	WHHA	16	Year 2 (25/26)
Salen	WHHA	8	Year 4 (27/28)
Lochawe Phase 1	WHHA	16	Year 4 (27/28)
Baliscate, Tobermory	WHHA	12	Year 5 (28/29)
Port Appin Phase 2/3	WHHA	24	Year 5 (28/29)
Bunessan Phase 2	WHHA	4	Year 5 (28/29)
Port Charlotte Phase 2	WHHA	17	Year 5 (28/29)
Craignure	WHHA	24	Year 5 (28/29)
Argyll and Bute Total		1395	2024-2029

¹ NB. Timescales are indicative and subject to change; and will be monitored on a regular basis. Some projects could also revise their final number of units.

4.14 Alternative sites are also being considered either to replace or enhance some of the sites listed in above tables. The Council also continues to provide support for communities considering the use of the Government's Rural and Island Housing Funds and other resources to deliver affordable housing out with the core AHSP development programme. The table below provides details of these projects.

TABLE 4 : Community Housing Projects

ARGYLL AND BUTE - COMMUNITY LED HOUSING PROJECTS			
COMMUNITY GROUP	PROJECT AREA	NOTES ON PROJECT STAGE	TOTAL UNITS (if relevant)
Colonsay community Development	Scalasaig, Isle of Colonsay	Houses complete bar commissioning, external works stalled	9 units + 3 self build plots

Luig Community	Isle of Luig	Finalising Housing Needs Assessment. Detailed housing proposals prepared and to be submitted in Local Place Plan	12
Mull and Iona Community Trust	Worker Accommodation	Report commissioned to determine scale of housing issue	n/a
	Worker Accommodation Tobermory	Supporting A & B Council in the provision of worker accommodation in Tobermory	12
	Glengorm affordable housing	MICT supporting the Glengorm estate with their allocations policy for their affordable housing	5
South West Mull and Iona Development	Ardmeanach View Bunessan	Working with WHHA demonstrating Feasibility	6
	Bunessan Village	Exploring feasibility of site, funding for site purchase	5 or 6
Tiree Community Development	Tiree	SLF Stage 1 approved, awaiting RIHF	12
Isle of Gigha Heritage Trust	Ardminish	Expected completion: July 2024	5
North West Mull	Isle of Ulva	Post Construction Management	
Tayvallich Initiative	Gifted Property, Tayvallich	About to advertise and allocate this 2 bed property	1
	Farmhouse, Tayvallich	About to take ownership of this 4 bed property which is currently tenanted	1
	Archie's Land, Tayvallich	Housing needs assessment completed. In discussions with housing agencies regarding different models. Further feasibility works required and to engage with planning	10

4.15 Impact Assessments

In preparing the SHIP, as in all aspects of housing policy and planning, the Council has taken account of the housing needs of all the communities we serve, and continues to address equalities issues and adhere to principles of diversity and inclusion. In addition to the robust baseline evidence of specialist accommodation and support needs across the range of equalities client groups contained in the HNDA, the Council is proactively pursuing engagement with the Health and Social Care Partnership to inform the SHIP programme. An overarching equality impact assessment will be completed for the LHS and this will inform our assessment of the impact of the SHIP, and how the strategic

aims are embodied in the housing priorities of the programme. Housing Services will also consider requirements for Health Inequalities Impact Assessments, Child Rights and Wellbeing Impact Assessments or other potential policy implications. However, as the responsible authority for the purposes of the relevant 2005 Act, the Council has determined that a Strategic Environmental Assessment (SEA) is not required for the LHS or SHIP.

5.0 CONCLUSION

5.1 The Scottish Government will review the SHIP in line with the process agreed jointly with COSLA. Their appraisal will therefore take account of the following:

- the extent to which the SHIP delivers LHS Outcomes;
- the extent to which it is feasible to deliver;
- the local authority's contribution to the delivery of the programme, both in terms of its facilitation role and in terms of maximisation of resources;
- evidence that the Council is supporting the efficient delivery of the SHIP;
- evidence of stakeholders' involvement in developing the SHIP and in the implementation of proposals; and
- the extent to which it takes account of equality issues.

5.2 In March 2023, the Scottish Government provided positive feedback on the previous SHIP, submitted last year, and their comments have also continued to inform this latest version of the SHIP moving forward.

6.0 IMPLICATIONS

6.1 Policy - Proposals are consistent with current Council policy, including the revised policy in respect of the use of Strategic Housing Fund monies. The SHIP 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.

6.2 Financial - The proposals are based on the Resource Planning Assumptions provided by the Scottish Government; the Strategic Housing Fund and RSL private finance. There will be an ongoing requirement to retain and target SHF resources to support the proposed programme.

6.3 Legal - The submission of the SHIP will meet our statutory duties, and following its approval, Strategic Local Programme Agreements will be concluded between the Council and Scottish Government.

- 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. New build developments on the islands are included in each of the SHIP tables.
- 6.6 Risk - Risk assessment is an integral part of each development and will be considered as the programme moves forward. The SHIP is required to show how risk will be managed. Failure to deliver a robust SHIP could result in loss of substantial government investment for the local authority area. Alternatively, however, failure to forward plan judiciously and to programme development in line with identified needs could result in over supply; generating imbalances in the local housing market, and creating risks for RSLs and the management of their existing stock, with consequent adverse effects on local neighbourhoods and communities.
- 6.7 Climate Change – None.
- 6.8 Customer Service - The proposals will deliver increased access to a range of suitable, affordable housing options.

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Appendix 1 – SHIP document