
**STRATEGIC HOUSING INVESTMENT PLAN 2015-2020: PROGRESS
REPORT AND THE REVISED STRATEGIC LOCAL PROGRAMME 2015**

1.0 EXECUTIVE SUMMARY

- 1.1 Members approved the Argyll and Bute Strategic Housing Investment Plan 2015-2020 (SHIP) on 27th November 2014. This was then submitted to the Scottish Government, in line with statutory requirements, on 28th November 2014.
- 1.2 The Scottish Government's local area team provided positive feedback on the SHIP in April 2015, and, subsequently, discussions between Council housing officers, the Scottish Government and individual Registered Social Landlords were initiated in May 2015 with a view to reviewing and updating the Strategic Local Programme Agreement (SLPA).
- 1.3 The SHIP and SLPA are part of a continuous, iterative process and are therefore subject to constant amendment and revision. This report summarises the positive progress to date and also notes minor adjustments to the programme schedule and the funding requirement to deliver the proposed projects.
- 1.4 In 2014/15, a total of 164 new homes were delivered via the SHIP (exceeding the annual target by 48%) and bringing the cumulative 4 year total to 501. The revised SLPA proposes up to 135 new homes in 2015/16, which would require Scottish Government investment of £7.364m and approximately £2.392m from the council's Strategic Housing Fund (excluding grant and loan already drawn down last year). There is also potential for a further 300 units by 2018, which would require an estimated £11.401m from the Scottish Government Affordable Housing Supply Programme (AHSP).
- 1.5 **Recommendation**
It is recommended that the Community Services Committee:
 - (i) Note the positive progress with the SHIP; and
 - (ii) Agree the proposed revisions to the Strategic Local Programme Agreement, which include a new development of 16 units by ACHA at Jutland Court, Helensburgh in place of the original site at Cardross.

STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2015-2020: PROGRESS REPORT AND THE REVISED STRATEGIC LOCAL PROGRAMME 2015

2.0 INTRODUCTION

- 2.1 This paper provides an interim progress report on the SHIP and highlights minor revisions to the Strategic Local Programme Agreement (SLPA).
- 2.2 The SHIP itself is 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 and will inevitably evolve almost on a monthly, if not weekly, basis. This report notes the adjustments that have been proposed in partnership with the Scottish Government and RSLs, during the latest round of SLPA discussions.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Community Services Committee:
- (i) Note the positive progress with the SHIP; and
 - (ii) Agree the proposed revisions to the Strategic Local Programme Agreement, which include a new development of 16 units by ACHA at Jutland Court, Helensburgh in place of the original site at Cardross.

4.0 DETAIL

- 4.1 **SHIP Process.** The SHIP was approved by Council in November 2014 and received positive feedback from the Scottish Government in April 2015. The Scottish Government places significant importance on the SHIP as it demonstrates the Council's key development priorities and therefore informs the Government's own housing investment decisions. In reviewing the SHIP the Scottish Government were particularly interested in: fit with Local Housing Strategy (LHS) outcomes; the prioritisation of development opportunities and their deliverability; the Local Authority contribution; engagement with Stakeholders; and equalities.
- 4.2 The feedback was positive in its appraisal of the Argyll and Bute SHIP against all of these criteria. Given the scale, complexity and level of competing demands across this area they were reassured to see the

emphasis that has been given to ensure for example that areas which are remote or isolated are not disadvantaged. Crucially, the Scottish Government approved of our approach to “over programming” which should provide required flexibility to accelerate projects should slippage occur. This approach is very much in keeping with the advice issued in HSGN 2014/07 (Guidance on the Preparation of Strategic Housing Investment Plans). In fact, it was suggested that further consideration could be given to increase the level of over programming for the initial years of the SHIP, and this will inform future updates of the programme.

- 4.3 **Current Progress.** Positive progress continues against the target which the Council set in 2011, of 110 affordable housing completions for each of the five years of the Local Housing Strategy. In the first three years of the strategy 337 properties were completed and the output for 2014/15 has now also been confirmed and is detailed in the Table 1 below.

Table 1: SHIP New Build Completions, 2014/15

RSL	Project/Site	Units
WHHA	Dunbeg	50
WHHA	Taynuilt	6
DHA	Helensburgh	51
ACHA	Bonawe	2
ACHA	Glenshellach, Oban	40
ACHA	Tarbert	8
Fyne	Ardfern	6
Private Developer	Lunga Estate (carry forward)	1
A&B Totals		164

This is 48% higher than the annual target, and brings the 4 year total to 501 (exceeding the cumulative target, which would be 440, by 14%).

- 4.4 In Q1 of 2015/16, a further 20 units were completed (in Helensburgh and Connel – see table below). Following the recent SLPA discussions between the Council, Scottish Government and RSLs, a revised schedule has been developed for the current year, 2015/16 as follows:

TABLE 2: Revised SLP, 2015/16.

DEVELOPER	PROJECT	UNITS	AHSP Total (£m)
WHHA	Benderloch	12	0.257
	Iona	5	0.396
	Lochdon, Mull	6	0.408
WHHA/LINK	Dunbeg (Phase 2)	25	0.913
ACHA	Helensburgh, Duchess Court	12	0.696
	Connel	8	0.472
	Inveraray	12	0.803
	Bowmore (phase 1)	20	1.36

	Tayvallich	2	0.126
	Connel Phase 2	10	0.658
	Bowmore (Phase 2)	10	0.758
	Victoria Park, Dunoon	5	0.295
FYNE	Kilmun	8	0.222
	Total	135	7.364

It should be noted that two of these projects, Lochdon and Victoria Park, Dunoon, have not yet progressed to final approval stage and final proposals and applications for council funding for these are still to be confirmed.

4.5 SLP 2016-2018

The SLPA discussions with the Scottish Government and RSLs have resulted in additional revisions to the timing of some projects in the programme for years 2 and 3, 2016/17 and 2017/18. In addition, the most significant addition to the programme is the inclusion of a development at Jutland Court, Helensburgh. ACHA propose to provide 16 units on this site, to utilise resources which have been freed up due to the removal of their original site in Cardross. This was removed from the Local Development Plan as a consequence of local objections which were upheld by the Reporter. No new site has yet been identified for Cardross, which remains a high demand area in terms of expressed need, so this has been rescheduled for later years of the programme. Table 3 shows proposals for 2016-2018 which are at varying stages in the development process.

TABLE 3: SLP 2016/17 – 2017/18

PROJECT	DEVELOPER	Units - Estimated Completion Date*	
		2016/17	2017/18
Golf Club, Helensburgh	DHA	16	
Golf Club , Helensburgh Phase 2	DHA		54
East King Street Helensburgh	DHA	24	
Succoth	DHA	26	
Imeraval, Islay	WHHA	18	
St Cuthberts, Dunoon	FYNE	17	
Glenshellach, Oban	ACHA	17	
Spence Court, Dunoon	FYNE		16
Ganavan, Oban	WHHA/Link	10	
Port Charlotte, Islay	WHHA		6
Luss	Link	5	
Tigh Rhuda, Tiree (PCC)	ACHA	10	
Coll	ACHA		2
Jutland Court substitute for Cardross	ACHA		16
Carradale	tbc		2

Jura	tbc		2
Strachur	FYNE		4
Dunbeg Phase 3	WHHA/Link		55
Total		143	157

* Dependent on progress with individual projects, availability of resources, and any slippage within the current programme, there is still potential for developments to move forward or back in the schedule.

4.6 Scottish Government Funding (Affordable Housing Supply Programme)

In summary, the revisions to the SHIP and SLP for years 2 and 3 could deliver up to 300 new homes at a total cost in terms of core development funding from the Scottish Government of £11.401m. To date, there have been no amendments to the basic Resource Planning Assumptions (RPA) which were outlined in the November 2014 paper. The *minimum* RPA from the Scottish Government's core development funding stream, the Affordable Housing Supply Programme, for this authority for the period 2015/16 to 2017/18 remains as indicated in Table 4 below. (Additional resources may however become available in later years, and local authorities are encouraged to over programme with this in mind).

TABLE 4: RESOURCE PLANNING ASSUMPTIONS 2015- 2018 (£M)

	15/16	2016/17	2017/18	Total
RPA	£7.246	£6.216	£4.976	£18.438
Estimated AHSP Requirement	£7.364	£6.2	£5.201	£18.765

4.7 SLP 2018-2020 (Shadow Programme)

The SHIP guidance requires local authorities to set out proposals for years 4 and 5 of the programme too, i.e. 2018/19 and 2019/20. The *minimum* RPAs for the latter years of the programme, 2018/19 and 2019/20, have been confirmed as £3.317m per annum. The potential developments for these latter years were outlined in the SHIP as approved in November 2014. A number of these projects are sufficiently advanced that they could be brought forward quickly if additional resources become available or slippage occurs with existing projects in the early years of the schedule; however, many will be merely notional proposals at this stage and are likely to change significantly over time. Given the lack of evidence regarding potential pressures in the Rosneath area, this has been removed from the shadow programme for now, pending further assessment.

5.0 CONCLUSION

5.1 In summary, very positive progress continues to be made with the SHIP and SLPA, with 164 new homes completed in 2014/15; and over the next five years the current projection is for around 584 new build

completions, as outlined in the table below (albeit the latter years of the programme remain highly provisional at this stage).

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Total units	135	143	157	82	67	584

6.0 IMPLICATIONS

- 6.1 **Legal:** Based on the revised proposals set out in the body of this report, Strategic Local Programme Agreements will be concluded between the Council and Scottish Government.
- 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.
- 6.3 **HR:** None
- 6.4 **Policy:** Proposals are consistent with current Council policy, including the revised policy in respect of the use of Strategic Housing Fund monies.
- 6.5 **Equal Opportunities:** The proposals are consistent with aims and objectives set out in the local housing strategy which has been subject to an EQIA.
- 6.6 **Risk:** Risk assessment is an integral part of each development and will be considered as the programme moves forward.
- 6.7 **Customer Service:** The proposals will deliver increased access to a range of suitable, affordable housing options.

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