Argyll and Bute Community Planning Partnership

Helensburgh and Lomond Community Planning Group

16 August 2016

Agenda Item [*for office use*]

STRATEGIC HOUSING INVESTMENT PLAN 2016

Summary
This paper provides an update on the Argyll and Bute Strategic Housing Investment Plan (SHIP) 2015-2020, with a particular focus on the outputs delivered in the Helensburgh and Lomond area over the last five years; the current projects onsite; and the proposals for future development over the next four years with an indication of available resources.

TABLE 1: Summary of SHIP Affordable Housing Completions as of March 2016

Housing Market Area	Completions 2011-2016	Projects Onsite (as of March 2016)	Proposals 2016-2020*
Helensburgh	102	24	194
Lomond	12	0	78
Total	**114**	**24**	**272**

(*Status of future proposals remains provisional at this stage; some may not proceed, however there is also scope for additional projects to be included in future years.)

1. Purpose

This paper highlights the contribution of the affordable housing development plan to the overarching objectives of the Single Outcome Agreement, and specifically outlines how the housing sector will contribute to an infrastructure that supports growth; and also help to ensure that people live in safer and stronger communities.

2. Recommendations

Partners are asked to note the content of the report

3. Background

3.1 Council approved the Argyll and Bute Strategic Housing Investment Plan (SHIP) for 2015-2020 in November 2014 and it was accepted by the Scottish Government in 2015. There is a statutory duty to submit updates every two years and a revised SHIP will be considered by Council in September 2016. In the intervening period the Strategic Local Programme (SLP) is monitored regularly. This sets out proposals for new housing development and investment on a site-by-site and area basis. The SHIP/SLP focuses on affordable housing delivered for social rent, mid-market rent, or low cost home ownership and shared equity options.

3.2 Council Housing Services work in close partnership with Registered Social Landlords (RSLs or housing associations), the Scottish Government, and private developers and land owners to prepare and deliver the SHIP programme; and local communities are key stakeholders in the process.

3.3 Housing development and investment is driven by robust and credible assessments of local housing need and demand, and the Council has identified the Helensburgh and Lomond HMA as a potential priority over the life of the next Local Housing Strategy.

3.4 Over the last 5 years, the SHIP has delivered a total of 114 new homes across the H&L area which is almost 21% of the total completions for Argyll & Bute over this period. A further 24 homes were onsite as of March 2016 and were completed in June 2016. Preliminary proposals for up to 272 additional units have been identified in the SHIP for delivery by 2020, however, this is subject to amendment: certain projects may not proceed within the timescales and alternative schemes may be brought forward.

4. Detail

Investment in Affordable Housing in Argyll and Bute

4.1 The Scottish Government funds new build developments primarily via the Affordable Housing Supply Programme (AHSP) and in March 2016 amendments were announced to the original Resource Planning Assumptions (RPA) which had been outlined previously in November 2014. The ***minimum*** RPA from the Scottish Government's core development funding stream for this authority for 2016/17 has been increased by 78%, from £6.216m to £11.075m. This is in support of the Government's enhanced targets to deliver at least 50,000 new homes over the next five years. Beyond 2016/17, RPAs have also been set at enhanced levels as indicated in Table 2 below.

TABLE 2: RESOURCE PLANNING ASSUMPTIONS 2016- 2020 (£m)

Argyll & Bute	2016/17	2017/18	2018/19	2019/20	Total
RPA	£11.075	£8.860	£6.645	£4.430	£31.01

In addition, adjustments to the AHSP benchmark grant levels were also confirmed; with the average grant in rural Argyll & Bute rising from £59k per unit to £72k per unit. Higher subsidies are available for developments meeting specified "greener" standards of construction.

4.2 The Scottish Government investment is complemented by the Argyll and Bute Council 's Strategic Housing Fund (SHF) as well as housing association investment drawn from private sector borrowing. Over recent years, the council has provided grants of £25k per unit to "top-up" the government grant, but in light of the increased AHSP benchmark this is currently set at £12k per unit. This means that, while the overall investment available to housing associations will remain unchanged, the council will be able to support the delivery of more units and maximize the impact of its resource contribution.

4.3 **Recent completions in the Helensburgh & Lomond area, 2011-2016**

Over the five year period from 2011 to 2016, the SHIP has delivered 114 new affordable homes. 102 were in Helensburgh; and 12 were in Lomond. The two main local RSLs provided all of these homes: Dunbritton Housing Association delivered 102 and ACHA delivered 12.

FIGURE 1: Completions by HMA

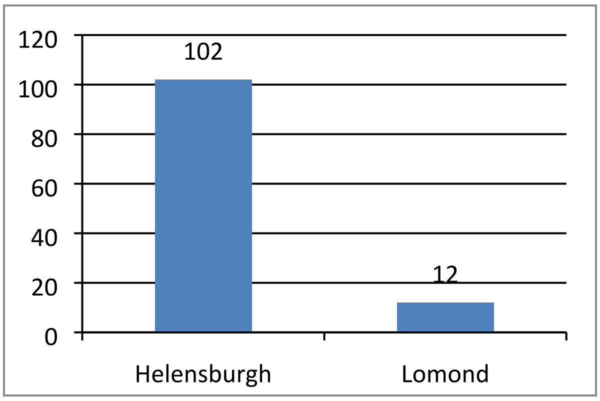
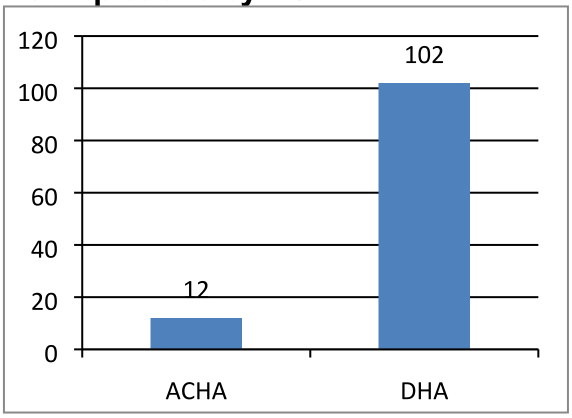


FIGURE 2: Completions by RSL



Over the five years to 2016, the SHIP aimed to deliver a target of 550 new homes and this has been successfully achieved. Helensburgh & Lomond received almost 21% of this output, which reflects both the level of need in the area and the positive partnership working at local level, including very constructive engagement with local communities.

In summary, these completions were as follows:

TABLE 3: SHIP Completions 2011-16.

HMA	PROJECT	YEAR	RSL	NUMBER OF UNITS		
				GENERAL	SPECIAL	TOTAL
Lomond	Upland Road, Garelochhead	2013/14	DHA	12	0	12
Helensburgh	Clydeview	2013/14	DHA	0	39	39
Helensburgh	Hermitage	2014/15	DHA	39	12	51
Helensburgh	Duchess Court	2015/16	ACHA	12	0	12
H&L	**Totals**	**2011/16**	**Totals**	**63**	**51**	**114**

4.4 Current Programme 2016/17

As of March 2016, there was one further project onsite and about to complete, with a capacity to deliver 24 new affordable homes. Funding has been committed from both the Scottish Government's AHSP and the Council's SHF. The following table details the project.

TABLE 4: Onsite Projects, as of March 2016

Project	Developer	Unit numbers	Status Q1 2016/17

East King Street, Helensburgh	Dunbritton	24	Completion June 2016

14.5 Future Programme – Potential Projects/Sites 2016-20

The current SHIP and ongoing discussions via the SLP process have flagged a number of potential sites/projects which might be taken forward over the next 3-5 years, dependent on site/planning/infrastructure constraints; availability of investment; and confirmed need and demand analysis.

TABLE 5: Potential SHIP Projects Beyond 2016

Project	Developer	Units	Update / Comments
Cardross	ACHA	20	Area remains a priority in programme, based on need, but currently on hold pending identification of suitable site.
Garelochhead	ACHA	10	This is to be kept as potential option for future programme, subject to further exploration and more demand assessment. Couple of potential sites identified.
Golf Club, Helensburgh (2 Phases)	DHA	75	Ongoing issues to be resolved by developer & owner. Risk of slippage. Overall capacity for up to 300 units. Site start expected next year.
Grant Street, Helensburgh	Bield	20	Discussions ongoing.
Jutland Court, Helensburgh	ACHA	36	Aims to be onsite this year with Phase 1 of 16 units and completion due 2017/18. There is potential for additional development here of further 20 units.
Luss	Link	4	Preliminary project development progressing and possible onsite start in summer 2016.
Succoth, Phase 1	DHA	26	Slippage due to significant additional infrastructure costs including widening of trunk road etc. Additional grant funding being sought.
Arrochar/Succoth Phase 2	DHA	12	Potential for inclusion in future programme, subject to assessment of phase 1 impact.
St. Joseph's, Helensburgh	ACHA	20	New proposal.
Rhu	ACHA	6	New proposal for existing conversion.
Helensburgh	DHA	18	Potential new site identified.,

Sawmill site, Helensburgh	Link	25	RSL exploring options with the private developer Cala Homes for mixed scheme of 10 social rent units, 10 for shared equity, & 5 mid-market rent.

This is purely indicative and some of these proposals remain highly speculative at this stage.

5. Conclusions

5.1 The strategic housing vision and priorities for the next five years will focus on achieving a housing system in Argyll & Bute that makes a strong contribution to thriving and sustainable communities and economic growth. This will include facilitating access to sufficient, suitable and affordable housing across all tenures.

5.2 The new HNDA has identified Helensburgh & Lomond as a potentially high priority area with a degree of ongoing housing pressure, despite the projected overall population decline in Argyll and Bute. On this basis, over the next 5–10 years, it is proposed that around 20-25% of affordable new developments should be targeted in this area; which would justify the ambitious potential programme outlined in Table 5 above (albeit, not all of these are likely to progress within the timeframe). This will however, require significant enhancement of investment, over and above the recently announced funding increases by the Scottish Government.

5.3 The new Local Housing Strategy for 2016/17 – 2020/21 continues to be directly aligned with the SOA; with a focus on preserving and expanding the supply of good quality housing units across all tenures to enable population growth. However, this will also involve wider activity beyond the delivery of the SHIP, and purely "bricks and mortar" outputs, including: supporting the operation of the local Area Property Action Group; ongoing Empty Homes work with private owners; targeted advice & assistance to local landlords and private owners on property improvements and energy efficiency measures; the promotion of the Home Energy Efficiency Programmes Scotland (HEEPS), Programme; the delivery of a personal Housing Options service; and a Welfare Rights service to tackle fuel poverty and maximize income.

6. 0 SOA Outcomes

SOA Outcome 2: We have infrastructure that supports sustainable growth.

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