Argyll and Bute Community Planning Partnership

Oban, Lorn and the Isles Community Planning Group

18 August 2016

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 Oban, Lorn and the Isles 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*
Oban & Lorn	130	64	240
Mull & Iona	33	5	41
Coll & Tiree	2	0	12
Total	**165**	**69**	**293**

(*Status of future proposals remains provisional at this stage; some are purely notional; 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; and 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 Oban & Lorn HMA in particular as the main priority in the current SHIP and over the life of the next Local Housing Strategy.

3.4 Over the last 5 years, the SHIP has delivered a total of 165 new homes across the OLI area which is approximately 30% of the total completions for Argyll & Bute over this period. A further 69 homes were onsite as of March 2016 and due to be completed within the first quarter of 2016/17. Preliminary proposals for up to 293 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 are likely to 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 remote rural Argyll & Bute rising from £68k per unit to £82k 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 OLI area, 2011-2016

Over the five year period from 2011 to 2016, the SHIP has delivered 165 new affordable homes. 79% were in mainland Lorn; 20% were on Mull; and 1% was on Coll & Tiree. The two main local RSLs provided the bulk of these homes: West Highland Housing Association delivered over half (89) and ACHA delivered over a third (58). The national, specialist association Bield delivered 14 units in Oban; and there were also 3 Rural Home Ownership Grants (RHOGs) which allowed individuals to build their own properties. (These national grants have been discontinued). The following graphs illustrate the breakdown of these completions.

FIGURE 1: Completions by HMA

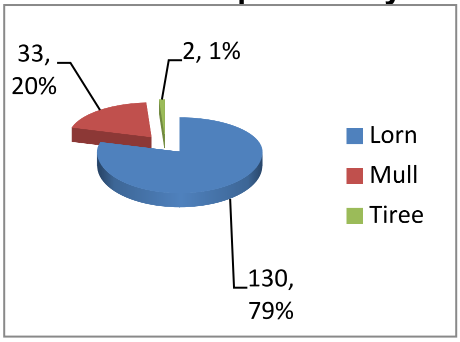
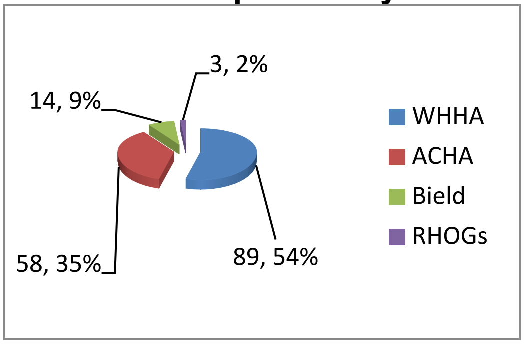


FIGURE 2: Completions by RSL



The previous SHIP aimed to deliver a target of 550 new homes over the five years to 2016, and this has been successfully achieved. OLI received 30% of this output, which reflects both the high 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
Lorn	Kilmelford	2011/12	WHHA	0	1	1
Lorn	Lorn	2011/12	RHOG	1	0	1
Mull & Iona	Mull	2011/12	RHOG	1	0	1
Coll & Tiree	Tiree	2011/12	RHOG	2	0	2

(above figures exclude 15 refurbished flats at Shore St. Oban 2011/12)						
Lorn	Glenshellach, Oban	2012/13	BIELD	8	6	14
Mull & Iona	Tobermory	2012/13	WHHA	20	0	20
Mull & Iona	Craignure	2012/13	WHHA	0	12	12
Lorn	Dalmally	2013/14	ACHA	8	0	8
Lorn	Dunbeg	2014/15	WHHA/LINK	50	0	50
Lorn	Taynuilt	2014/15	WHHA	6	0	6
Lorn	Glenshellach, Oban	2014/15	ACHA	40	0	40
Lorn	Bonawe	2014/15	ACHA	2	0	2
Lorn	Connel	2015/16	ACHA	8	0	8
OLI	**Totals**	**2011/16**	**Totals**	**146**	**19**	**165**

(RHOG – Rural Home Ownership Grant)

4.4 Current Programme 2016/17

As of March 2016, there were a further five projects onsite, with a capacity to deliver 69 new affordable homes. Funding has been committed from both the Scottish Government's AHSP and the Council's SHF. The following table summarizes the current status of these projects.

TABLE 4: Onsite Projects, as of March 2016

Project	Developer	Unit numbers	Status Q1 2016/17
Iona	IHP/WHHA	5	Completed
Benderloch	WHHA	12	Completed
Connel, Phase 2	ACHA	10	Handover due Oct. 2016
Glenshellach	ACHA	17	Completion due Oct. 2016
Dunbeg Phase 2	Link	25	Completion July 2016

4.5 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
Connel	ACHA	14	Following completion of Phase 2, Phase 3 will commence in August 2016 with 10 units. Plus, an additional purchase of 4 off-the-shelf units has been agreed.
Port Appin	WHHA	8	Subject to further analysis of the Need & Demand, a useful site which the RSL is very keen to take forward.
Coll	ACHA	2	Planning and tender process underway. Works should commence in 2016/17.
Dervaig, Mull	WHHA/ NWMCWT	5	Site identified and development of proposals ongoing. Positive engagement with local community.
Dunbeg Phase 3	Link/WHHA	55	Master-planning underway; however ongoing issue with infrastructure costs. Multi-agency working group established.
Ganavan, Oban	WHHA/Link	40	Infrastructure issues are again an obstacle in taking this forward, but hoping to find resolution with the Development and Infrastructure department. Potential for a mixed scheme of shared equity and affordable units for outright sale, for elderly.
Lochdon, Mull	WHHA	6	Landbank site available and potential need identified - planning application in April 2016.
Bunessan, Mull	WHHA	8	Landbank site available depending on level of demand. Currently postponed and to be reviewed in future.
Tiree	ACHA	10	Plans for Progressive Care facility have been suspended pending identification of any possible financial contribution via Health. Other options to meet island housing needs will be considered in future.
Benderloch Phase 2	WHHA	12	Proposals for a further 8 rented and 4shared equity have been agreed.
Ulva	MICT	2	Community development in planning stage which has received substantial offer of grant funding from the council.
North Connel	ACHA	1	Site owned and being progressed.
North Connel	WHHA	8	Potential project. Proposals to be developed.
Glenshellach, Oban	ACHA	50	Proposals being developed subject to planning approval
Tobermory, Mull	WHHA	12	Site owned being developed.
Albany St., Oban	WHHA	8	1 bedroom units proposed.
Other Oban	ACHA	38	Includes 8 units in potential town centre site.

Barcaldine	WHHA	6	Proposals to be developed
Salen, Mull	WHHA	8	Subject to need and demand. Potential site available.

This is purely indicative at this stage, and will be amended as resources become available.

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 clearly identified Oban & Lorn as a priority area of high housing pressure, and one of the only areas of continued population growth in Argyll and Bute. On this basis, over the next 5–10 years, it is proposed that at least one third of affordable new developments should be targeted in this area. Additional provision for the islands of Mull & Iona and Coll & Tiree should bring this target up to around 40% of all completions. This could mean something in the order of at least 240 new affordable homes in the area over the next five years (the SHIP currently identifies opportunities for up to 293 units, albeit not all of these are guaranteed to proceed within that time frame). This will however, require substantial 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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