
STRATEGIC HOUSING FUND – RSL ADDITIONAL FUNDING REQUESTS

1.0 EXECUTIVE SUMMARY

- 1.1 In December 2004, Council decided to exercise its discretion to reduce the discount for council tax for second and holiday homes across the whole council area from 50% to 10%. Subsequently, on 18 May 2006, the Strategic Policy Committee agreed that this revenue should be used flexibly, depending on local circumstances, for the establishment of:
- A Landbanking fund;
 - An Empty Homes Strategy, and
 - To promote additional investment in infrastructure capacity, where further development of affordable housing is otherwise constrained.
- 1.2 In line with Scottish Government guidance, which states that additional income arising from the reduced discount of council tax on second and holiday homes be retained locally by the local authority and used specifically for the provision of affordable social housing, the Strategic Housing Fund (SHF) was created to allow for allocations in support of priority projects emerging from the Local Housing Strategy (LHS).
- 1.3 In order for Argyll and Bute Council to support priority projects it was agreed that the SHF agreed level of funding would be £12 000 per affordable housing unit delivered. In December 2018 the Council agreed to commit to maximising the use of the SHF to support the new build affordable housing projects detailed in the Strategic Housing Investment Plan (SHIP).
- 1.4 Argyll Community Housing Association (ACHA) and West Highland Housing Association have identified that 2 of the new build projects detailed in the SHIP require additional funding in order for them to be delivered.
- 1.5 It is recommended that the Community Services Committee make the following recommendations to Council:
- a) Agree to contribute an additional £30 492 SHF to be awarded to the ACHA new build development in Tarbert (£48 000 SHF has already been agreed to assist in the delivery of the 4 affordable housing units in this development).
 - b) Agree to contribute an additional £16 000 SHF to be awarded to the West Highland Housing Association new build development in Imeraval, Islay (£96 000 SHF has already been agreed to assist in the delivery of 8 affordable housing units in this development).

STRATEGIC HOUSING FUND – RSL ADDITIONAL FUNDING REQUESTS

2.0 INTRODUCTION

- 2.1 This paper details the requests from ACHA and West Highland Housing Association for additional SHF funding for 2 of the affordable housing projects detailed in the SHIP.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Community Services Committee make the following recommendations to Council:
- a) Agree to contribute an additional £30 492 SHF to be awarded to the ACHA new build development in Tarbert (£48 000 SHF has already been agreed to assist in the delivery of the 4 affordable housing units in this development).
 - b) Agree to contribute an additional £16 000 SHF to be awarded to the West Highland Housing Association new build development in Imeraval, Islay (£96 000 SHF has already been agreed to assist in the delivery of 8 affordable housing units in this development).

4.0 DETAIL

- 4.1 In December 2004, Council decided to exercise its discretion to reduce the discount for council tax for second and holiday homes across the whole council area from 50% to 10%. Subsequently, on 18 May 2006, the Strategic Policy Committee agreed that this revenue should be used flexibly, depending on local circumstances, for the establishment of:
- A Landbanking fund;
 - An Empty Homes Strategy, and
 - To promote additional investment in infrastructure capacity, where further development of affordable housing is otherwise constrained.
- 4.2 Subsequently, in line with Scottish Government guidance, which states that additional income arising from the reduced discount of council tax on second and holiday homes be retained locally by the local authority and used specifically for the provision of affordable social housing, the Strategic Housing Fund (SHF)

was created to allow for allocations in support of priority projects emerging from the Local Housing Strategy (LHS).

- 4.3 In order for Argyll and Bute Council to support priority projects it was agreed that the SHF agreed level of funding would be £12 000 per affordable housing unit delivered. In December 2018 the Council agreed to commit to maximising the use of the SHF to support the new build affordable housing projects detailed in the Strategic Housing Investment Plan (SHIP).
- 4.4 Argyll Community Housing Association(ACHA) and West Highland Housing Association have identified that 2 of the affordable new build projects detailed in the SHIP require additional funding in order for them to be delivered.
- 4.5 The table below sets out the number of affordable housing units projected to be delivered by March 2021 in the 2018 Strategic Housing Investment Plan (SHIP) annual update :-

Project address	Developer	Units	Anticipated Completion
Bowmore Phase 3, Islay	ACHA	20	2018/19
North Connel, Lorn	ACHA	1	2018/19
Succoth, Helensburgh & Lomond	Dunbritton	26	2018/19
Minard Phase 2, Mid Argyll	Fyne Homes	4	2018/19
Queen's(formerly Spence) Court, Dunoon	Fyne Homes	16	2018/19
Lochgilphead Phase 4	Fyne homes	16	2018/19
Albany Street, Oban	LINK	8	2018/19
Jutland Court, Helensburgh	ACHA	32	2019/20
Connel (Phase 4; incl. 1 which unit)	ACHA	2	2019/20
Inveraray (Phase 2)	ACHA	10	2019/20
Keills, Islay	ACHA	4	2019/20
Garelochhead (Passivhaus model)	ACHA	10	2019/20
Tarbert	ACHA	4	2019/20
Glenshellach (Phase 11 &12)	ACHA	42	2020/21
18 th Tee, Helensburgh	Dunbritton	16	2020/21
Golf Club site, Helensburgh	Dunbritton	60	2020/21
Tighnabruaich (Portavadie project)	Fyne Homes	20	2019/20
Cairndow	Fyne Homes	6	2019/20
Lochgilphead	Fyne Homes	12	2020/21
Helensburgh (Sawmill Site)	LINK	25	2019/20
Lonan Drive, Oban	LINK	46	2019/20
Dunbeg (Phase 3)	LINK	300	2020/21
Rosneath	LINK	40	2020/21
Ganavan	LINK	50	2020/21
Lochdon, Mull	WHHA	14	2019/20

Jura	WHHA	10	2019/20
Tobermory (Shillinghill, Phase 3)	WHHA	12	2020/21
Colonsay	WHHA	5	2020/21
Barcaldine	WHHA	10	2019/20
Salen, Mull	WHHA	8	2020/21
Imeraval, Port Ellen (Phase 2)	WHHA	8	2020/21
Kilmartin	ACHA	4	2020/21
North Connel	ACHA	12	2020/21
Bowmore (Phase 4)	ACHA	22	2020/21
Cairnbaan	ACHA	5	2020/21
Coll	ACHA	1	2020/21
Southend	ACHA	1	2020/21
TOTAL		882	

Tarbert

- 4.6 Tarbert's inclusion in the SHIP has existed for a number of years. In 2016, the Council organised a housing needs study of the Tarbert & Skipness Community Council boundary and concluded with its support for a small-scale family housing development. Since then, ACHA has responded positively to a project proposal for this community and submitted a tender to the Scottish Government for Housing Association Grant (HAG) funding. In December, 2018 there were 51 applications on HOME Argyll's Common Housing Register which stated 'Tarbert' as one of three preferred areas to live. The majority of applications were awarded a moderate number of points. A small number (4) of applications have the maximum 200 points while 17 applications were awarded no points. Most applications indicated a need for single occupancy/ 1 bedroom homes or small 2 bedroom homes. However, a need for larger family homes was also well represented with 6 applications calculating the need for 3 bedroom homes.
- 4.7 In addition to securing private finance for the development ACHA submitted a HAG application to the Scottish Government and have been made a significant offer of funding but due to the nature of the land identified for development the build costs are higher than the benchmark grant levels awarded by the Scottish Government. One of the main issues which has increased the build cost is the drainage solution for the site due to the poor ground conditions. It is reasonable for Council to approve additional SHF funding to enable this development to happen as one of the uses of the SHF is 'to promote additional investment in infrastructure capacity, where further development of affordable housing is otherwise constrained'. ACHA have requested £30 492 SHF in addition to the £48 000 (4 affordable housing units) already awarded through the £12 000 per unit Officers mandate.

Imeraval

- 4.8 The case for housing in Port Ellen has been strong in recent years with a surge of new employment and economic activity, a phase 2 for Imeraval has

been proposed by West Highland Housing Association to further meet local housing demand.

Imeraval itself cannot be selected by HOME Argyll applicants however, there are 55 active applications which have registered nearby Port Ellen as their first area of preference. A further 41 applications reveal Port Ellen as a second and third choice. 25 of these applications have no points and would not generally be considered to be in housing need. However 6 applicants have the maximum 200 points and a broad spectrum of points have been awarded to a large proportion of applicants.

In terms of bedroom sizes, there is a strong demand for one bedroom properties. Bed spaces calculated show 36 applications (all with points awarded) require a one bedroom property. The register also supports the need for larger house types with 4 applications requiring a property with 5 or more bedrooms.

- 4.9 In addition to securing private finance for the development West Highland Housing Association submitted a HAG application to the Scottish Government and have been made a significant offer of funding but due to the nature of the access issues for development the build costs are higher than the benchmark grant levels awarded by the Scottish Government. One of the main issues which has increased the build cost is the requirement to deliver a safe access into Port Ellen which involves the construction of an offsite footpath. It is reasonable for Council to approve additional SHF funding to enable this development to happen as one of the uses of the SHF is 'to promote additional investment in infrastructure capacity, where further development of affordable housing is otherwise constrained'. West Highland Housing Association have requested £16 000 SHF in addition to the £96 000 (8 affordable housing units) already awarded through the £12 000 per unit Officers mandate.

5.0 CONCLUSION

- 5.1 The Strategic Housing Fund makes a significant contribution to the new affordable housing development programme in Argyll and Bute and is vital in assisting the Scottish Government to achieve the target of delivering 50 000 new affordable homes across the country between 2016 and 2021. The Officers mandate of £12 000 per unit enables the resources within the SHF to be used effectively to assist the delivery of new build affordable housing in the local authority area. The 2 requests in this Paper exceed the £12 000 per unit but the extra SHF funding is required to enable these affordable housing developments to proceed.

6.0 IMPLICATIONS

- 6.1 Policy: None
- 6.2 Financial: Strategic Housing Fund will continue to be administered in line with approved policy with the addition of community groups being able to access the fund under the same process as the

RSLs. Any decisions on requests above the £12 000 per unit will be made on a case by case basis and will be subject to availability of funds within the SHF.

6.3 Legal: The proposals in this paper are in line with the legally prescribed uses of core elements of Council Tax revenue/SHF to deliver affordable housing. Legislation dictates that income generated from Council Tax from 2nd and Holiday Homes will be required to continue to be ring fenced for the delivery of affordable housing and bringing empty homes back into use.

6.4 HR: None

6.5 Fairer Scotland Duty :

There will be increased socio-economic opportunities particularly to remote rural communities. Jobs will be created and sustained in the construction industry as a result of the affordable housing developments supported by the SHF. The delivery of the housing will enable households to remain in Argyll and Bute and live in high quality fit for purpose affordable housing (see appendix1).

6.5.1 Equalities – Protected Characteristics

See appendix 1

6.5.2 Socio – Economic Duty

See appendix 1

6.5.3 Islands – Islands (Scotland) Act 2018

See appendix 1

6.6 Risk: None

6.7 Customer Service: None

Douglas Whyte – Team Lead – Housing Strategy

Councillor Robin Currie – Policy Lead Communities, Housing, Islands and Gaelic

2018

Appendix 1

Argyll and Bute Council: Equality and Socio-Economic Impact Assessment

Section 1: About the proposal

Title of Proposal	
Strategic Housing Fund – RSL Additional Funding Requests	
Intended outcome of proposal	
Enabling the delivery of affordable housing across the local authority area	
Description of proposal	
A request by ACHA and a request by West Highland HA for additional SHF funding to enable the delivery of affordable housing in Tarbert and Imeraval	
Business Outcome(s) / Corporate Outcome(s) to which the proposal contributes	
BO26	
Lead officer details:	
Name of lead officer	Douglas Whyte
Job title	Team Lead – Housing Strategy
Department	Planning, Housing and Regulatory Services
Appropriate officer details:	
Name of appropriate officer	Allan Brandie
Job title	Research and Development Officer
Department	Planning, Housing and Regulatory Services
Sign off of EqSEIA	Angus Gilmour
Date of sign off	
Who will deliver the proposal?	
Planning, Housing and Regulatory Services in partnership with local Registered Social Landlords and Community Groups	

Section 2: Evidence used in the course of carrying out EqSEIA

Consultation / engagement

The Delivery of the SHF has been agreed in discussion with the Strategic Housing Forum where all key partners were represented – Argyll Community Housing Association, Link Housing Association, Dunbritton Housing Association, Fyne Homes, West Highland Housing Association, Highland Small Communities Housing Trust, The Health and Social Care Partnership, Alienergy, Home Energy Scotland, Argyll and Bute Care and Repair and The Scottish Government

Data

Contained in the Committee Report

Other information

Gaps in evidence

Section 3: Impact of proposal

Impact on service users:

	Negative	No impact	Positive	Don't know
Protected characteristics:				
Age			✓	
Disability			✓	
Ethnicity		✓		
Gender		✓		
Gender reassignment		✓		
Marriage and Civil Partnership		✓		
Pregnancy and Maternity			✓	
Religion		✓		
Sexual Orientation		✓		
Fairer Scotland Duty:				
Mainland rural population			✓	
Island populations			✓	
Low income			✓	
Low wealth			✓	
Material deprivation			✓	
Area deprivation			✓	
Socio-economic background			✓	
Communities of place?			✓	
Communities of interest?			✓	

Impact on service deliverers (including employees, volunteers etc):

	Negative	No impact	Positive	Don't know
Protected characteristics:				
Age			✓	
Disability			✓	
Ethnicity		✓		
Gender		✓		
Gender reassignment		✓		
Marriage and Civil Partnership		✓		
Pregnancy and Maternity		✓		
Religion		✓		
Sexual Orientation		✓		
Fairer Scotland Duty:				
Mainland rural population			✓	
Island populations			✓	
Low income			✓	
Low wealth			✓	
Material deprivation			✓	
Area deprivation			✓	
Socio-economic background			✓	
Communities of place?			✓	
Communities of interest?			✓	

If any 'don't know's have been identified, at what point will impacts on these groups become identifiable?

n/a

How has 'due regard' been given to any negative impacts that have been identified?

n/a

Section 4: Interdependencies

Is this proposal likely to have any knock-on effects for any other activities carried out by or on behalf of the council?

Yes

Details of knock-on effects identified

The delivery of more affordable houses will assist the Health and Social Care Partnership to provide suitable housing for households with physical and/or mental health issues. Additional affordable housing will also provide more housing options for young people leaving care thus assisting the Council to carry out Corporate Parenting duties.

Section 5: Monitoring and review

How will you monitor and evaluate the equality impacts of your proposal?

Through the assessment of applications to the SHF from RSL's and Community Groups. We will also monitor outcomes in terms of who has been allocated the affordable housing delivered with the assistance of the Strategic Housing Fund.