

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Government issued revised guidance in August 2019 to assist local authorities in the preparation of their annual SHIPs; which will cover the period 2020/21 - 2024/25, and are required to be submitted by 25th October 2019. This paper summarises the proposals for the revised SHIP, in line with statutory requirements and the latest guidance.
- 1.2 In June 2019, the Scottish Government also issued formal confirmation of long term Resource Planning Assumptions (RPAs) for local authorities in support of their Affordable Housing Supply Programme. The available funding for Argyll and Bute over the next two years has increased substantially and provides certainty and clarity for forward planning:

Argyll & Bute	2019/20	2020/21	2 Year Total
RPA	£18.407m	£19.527m	£37.934m

- 1.3 In 2018/19, the SHIP delivered 107 new affordable homes. This SHIP identifies potential for around 125 units to be completed in 2019/20 and over 900 additional homes to be completed or approved in subsequent years.
- 1.4 As well as addressing unmet local need and contributing to national targets, the proposed programme will: generate additional investment in the local economy, supporting additional jobs including new apprenticeships in the construction sector and associated labour market; it will stimulate community regeneration and sustainability; it will help to attract and retain residents and employees for local businesses; it will encourage movement within, and more effective operation of, the local housing system; it will also contribute to improving general health and well-being; and more pragmatically the new homes will also generate additional Council tax revenue.

1.5 RECOMMENDATION

It is recommended that the Council:

- I. Approve the SHIP proposals summarised in this report which will then be submitted to the Scottish Government in October 2019

STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2020/21 – 2024/25

2.0 INTRODUCTION

- 2.1 This paper seeks council approval of the revised Strategic Housing Investment Plan 2020/21 – 2024/25 which will then be submitted to the Scottish Government in October 2019. 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 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.
- 2.3 The revised SHIP has potential for delivery of around 125 units this year, and over 900 new affordable homes in subsequent years.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council:

- I. Approve the SHIP proposals summarised in this report which will then be submitted to the Scottish Government in October 2019

4.0 DETAIL

- 4.1 From 2017, the Scottish Government and COSLA/Association of Local Authority Chief Housing Officers (ALACHO) agreed that SHIPs would revert to being submitted on an annual basis. In August 2019 revised guidance was issued to assist local authorities prepare their SHIPs, which require to be submitted to the Scottish Government by 25th October 2019, and will cover the period 2020/21–2024/25.
- 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 and not 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
- 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 Revised SHIP Guidance

Building on previous guidance, the Scottish Government's new guidance includes an enhanced emphasis on the delivery of wheelchair accessible housing and in support of action 62 of the Fairer Scotland

for Disabled People Action Plan, the guidance requires additional material from local authorities in the form of a position statement covering the following broad areas.

- What the current evidence base tells you about the requirement for wheelchair accessible housing, and any plans the authority has to develop this work further.
- The approach, if any, the authority have set in the Local Housing Strategy/ Local Development Plan to wheelchair accessible housing including any target/ quota that the local authority currently has in place.

The revised guidance also introduces specific linkages between the SHIP process and the new 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).

The Scottish Government has allocated RPAs to local authorities for the two years to end-March 2021. These confirm substantial increases on previous assumptions for this authority:

Argyll & Bute	2019/20	2020/21	Total
RPA	£18.407m	£19.527m	£37.934m

Source: Scottish Government Letter of Confirmation, April 2019

An approximate calculation (based on the average Affordable Housing Supply Programme 3 person unit benchmark of £82k for social rent in rural Argyll) would suggest that this level of investment could deliver over 450 new affordable homes in the period from 2019/20 to 2020/21. Investment for the final three years of the SHIP programme, 2021/22, 2022/23, and 2023/24 will be confirmed in due course (for planning purposes the SHIP Guidance indicates that local authorities should use their 2020/21 RPA as the basis for funding for the final three years of this SHIP period, on the understanding that there is currently no guarantee of funding beyond 2021). It should be noted that this is potential investment for Argyll and Bute, dependent on actual need and deliverability of suitable projects; and 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.

- 4.7 Additional funding is required to complement the Scottish Government investment, and in Argyll and Bute this includes a significant 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 £1.9m per annum. In April 2016 the Council halved the level of grant provision for RSLs from £25k to £12k per unit, to reflect the equivalent increase in Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this is indeed the most appropriate and cost effective level of grant to support the SHIP programme. An indicative estimate of around £5.5m would be required to support in full the Scottish Government investment outlined in the two year RPAs above.

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 departments. 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. In 2019, additional engagement has been promoted across the local business sector and a network of employers and other interested parties has been established for future consultation.

- 4.9 A primary focus for the new SHIP has been engagement with the Health and Social Care Partnership (HSCP) to ensure adequate specialist provision is included in the new build programme. The HSCP's 3 year strategic plan incorporates a housing contribution statement outlining the essential role housing plays in supporting and maintaining independence, health and well-being of residents. Following the production of the joint Health, Care and Housing Needs Assessment in 2018, and the recommendations which were appraised by a wide range of cross-sectoral stakeholders at a dedicated workshop session and subsequently approved by the Strategic

Housing Forum that year, the revised HCS sets out a joint vision for housing, health and social care in Argyll and Bute:

“People in Argyll and Bute with health and social care needs have access to housing options that maximise their health, wellbeing and independence”

4.10 Housing Infrastructure Fund (HIF)

The Scottish Government introduced an infrastructure fund in 2016 to support housing development through dedicated loans and grants. This five year programme will run at least until 31st March 2021 and 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 ongoing housing development at Dunbeg, which remains a high strategic priority for the council and its partners.

4.11 Other Affordable Housing Provided Without 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.

4.12 Current Progress: Outputs 2018/2019

The table below details the affordable housing delivered by the SHIP in 2018/19

Table 1: SHIP New Build Homes Completed 2018/19

Project Address	Developer	Tenure*	Units
Bowmore Phase 3, Islay	ACHA	SR	20
North Connel, Lorn	ACHA	SR	1
Castle Wood, Helensburgh	ACHA	SR	16
Succoth, Helensburgh & Lomond	Dunbritton	SR	26
Minard Phase 2, Mid Argyll	Fyne Homes	SR	4
Queen's(formerly Spence) Court, Dunoon	Fyne Homes	SR	16
Lochgilphead Phase 4	Fyne homes	SR	16
Albany Street, Oban	LINK	SR	8
Argyll & Bute Total			107

(*SR = social rent)

4.13 The Revised SHIP Programme

The current year, 2019/20, is covered by a Strategic Local Programme Agreement while the new SHIP is intended to commence from 2020/21. 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 2.1: SHIP Projects – expected to complete in 2019/20

Project address	Developer	Units	Anticipated Completion
Castle Wood, Helensburgh	ACHA	16	2019/20
Connel (Phase 4; incl. 1 whch unit)	ACHA	2	2019/20
Glenshellach (Phase 11 &12)	ACHA	42	2019/20
Kilmartin	ACHA	4	2019/20
North Connel	ACHA	3	2019/20
Cairnbaan	ACHA	5	2019/20
Southend	ACHA	1	2019/20
Tighnabruaich	Fyne Homes	20	2019/20
Lochdon, Mull	WHHA	14	2019/20
Barcaldine	WHHA	10	2019/20
Imereval, Port Ellen (Phase 2)	WHHA	8	2019/20
Argyll and ButeTotal		125	

Table 2.2: SHIP Projects – Potential Completions 2020/21

Project address	Developer	Units	Anticipated Completion
Inveraray (Phase 2)	ACHA	10	2020/21
Keills, Islay	ACHA	4	2020/21
Bowmore (Phase 4)	ACHA	18	2020/21
Garelochhead (Passivhaus model)	ACHA	10	2020/21
Tarbert	ACHA	4	2020/21
18 th Tee, Helensburgh	Dunbritton	16	2020/21
Jeanie Deans Site, Helensburgh	Dunbritton	8	2020/21
Cairndow	Fyne Homes	6	2020/21
Dunbeg (Phase 3)	LINK	300	2020/21
Rosneath	LINK	40	2020/21
Jura	WHHA	10	2020/21
Colonsay	WHHA	5	2020/21
Imereval, Port Ellen (Phase 3)	WHHA	4	2020/21
Argyll and ButeTotal		435	

Table 2.3: Additional Projects for Completion Post 2021

Project address	Developer	Units	Anticipated Completion
Port Ellen (Islay)	ACHA	10	2021/22
Glencruitten, Oban Phase1	ACHA	25	2022/23
Glencruitten, Oban Phase 2	ACHA	25	2022/23
Golf Club Site, Helensburgh	DHA	60	2022/23
Cardross	DHA	25	2024/25
Lochgilphead	Fyne Homes	12	2021/22
Inverary	Fyne Homes	12	2021/22
Ganavan	LINK	50	2021/22
Lonan Drive, Oban	LINK	46	2021/22
Dunbeg (Phase 4)	LINK	30	2022/23
Dunbeg (Phase 5)	LINK	60	2023/24
Dunbeg (Phase 6)	LINK	60	2024/25
Helensburgh (Sawmill Site)	Wheatley Group	35	2021/22
Imeraval (Phase 4)	WHHA	20	2021/22
Port Charlotte	WHHA	8	2021/22
Port Appin	WHHA	6	2021/22
Tobermory (Phase 3)	WHHA	12	2021/22
Salen	WHHA	8	2022/23
Argyll and Bute Council Total		504	

4.14 Alternative sites are also being considered either to replace or enhance some of the sites listed in above tables. The Council continues to support community developments out with the core Affordable Housing Supply Programme (AHSP) funding programme. A review of assets and the available landbank will also inform Council policy on the potential for providing serviced plots for sale for affordable housing development; and the outcome of a self-build/custom-build pilot in Highland Council has now been rolled out across Scotland. The council also provides 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.

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 has been 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. In March 2019, 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 Single Outcome Agreement, in particular SOA 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	Customer Service:	The proposals will deliver increased access to a range of suitable, affordable housing options.

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September 2019

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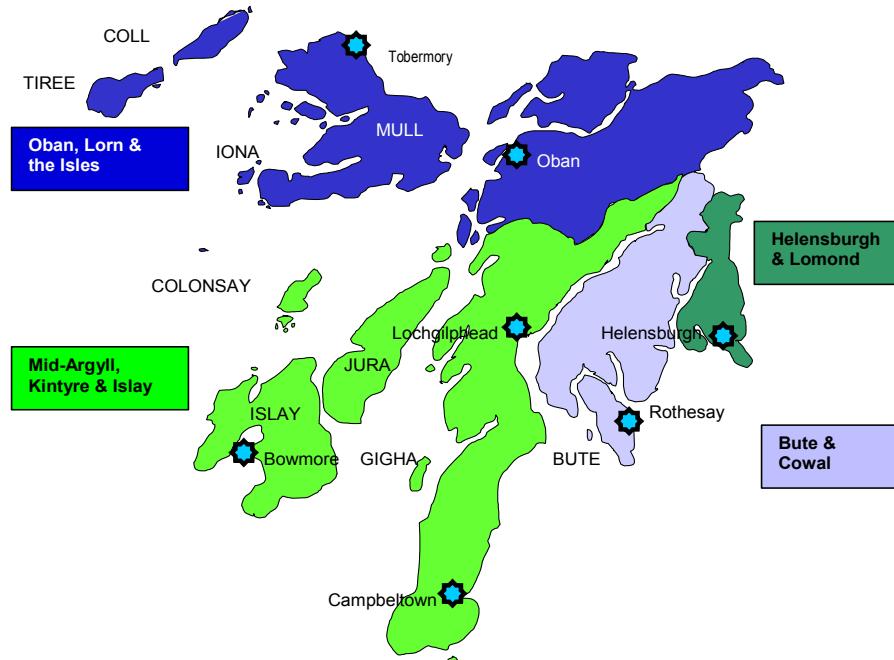
ARGYLL & BUTE STRATEGIC HOUSING INVESTMENT PLAN

2020/21 - 2024/25

(Draft 2.0, September 2019)



“Delivering a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”



The focus of the Strategic Housing Investment Plan (SHIP) is affordable housing provision via new build, replacement, rehabilitation or re-modelling.

“Affordable housing” in this context refers to accommodation made available at a cost below full market value to meet an identified need and includes:

- Social rented housing;
- Subsidised low cost housing for sale (discounted, shared ownership or shared equity);
- Low cost housing without subsidy (entry level housing for sale); and
- Mid-market rental housing provided by social landlords.”

*Guidance on the Preparation of Strategic Housing Investment Plans,
Scottish Government, July 2016*

AFFORDABILITY – as a basic rule of thumb, an affordable house price is reckoned to be no more than 3.5 times the annual income of the household; and in terms of renting a property, the affordable benchmark is often considered to be around 25% of the household’s income.

1) INTRODUCTION

Argyll and Bute Council remains committed to working closely with the Scottish Government, local housing associations, and other key partners to increase the effective supply of affordable homes across the local authority area so that everyone can access a good quality home that is affordable and that meets their needs.

The Strategic Housing Investment Plan (SHIP) is a key local authority document which identifies priority housing projects to support the delivery of both local and national strategic housing targets; as well as helping to increase the supply of housing across other tenures as appropriate.

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. The SHIP is directly informed by the strategy and its associated policies.

This plan is an operational document and the core purpose is to set out the strategic investment priorities for affordable housing and other tenures over a 5 year period, to achieve the priorities and outcomes set out in the LHS. It reinforces the Council's role as the strategic housing authority; and informs Scottish Government housing investment decisions. It also underpins the preparation of Strategic Local Programme Agreements (SLPAs).

Specifically, the SHIP is the key document for identifying:

- Proposed strategic housing projects which require funding from the Scottish Government's Affordable Housing Supply Programme;
- Proposed affordable housing projects which can be provided without Scottish Government funding support; and
- Projects across all tenures requiring grant and loan funding from the Scottish Government's Housing Infrastructure Fund.

This SHIP has been developed in consultation with key stakeholders; and following agreement of the strategic local programme in August 2019 with the Scottish Government and individual, partner RSLs. The outline draft plan was also approved by the SHIP Officers' Group on 6th September 2019; the Strategic Housing Forum on 11th September 2019 and the final SHIP was approved by full Council/Committee on xxth XXXXXXXX 2019.

This SHIP covers the period from 2020/21 to 2024/25.

Content of the SHIP

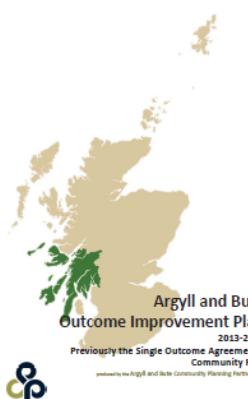
The SHIP comprises two key elements:

- a) This narrative document setting out the context to the plan including:
 - The strategic framework and how the SHIP contributes to LHS Priorities and Outcomes;
 - A summary of the Project Prioritization Framework;
 - Deliverability of projects and Mitigating Development Constraints;
 - Resourcing the programme, including the local authority's contribution, the use of council tax on second and empty homes, Scottish Government investment and Developer Contributions;
 - Progress towards targets by completions;
 - Specialist Provision, in particular wheelchair accessible housing;
 - Empty homes services and actions to bring homes back into use;
 - Consultation and Stakeholder Engagement
 - Impact Assessments: including Equalities; Fuel Poverty and Energy Efficiency; Health Inequalities; Child Poverty; Homelessness; Gypsy/Travelers; and Rural & Island impacts
 - A summary of the Current and Projected Programmes
- b) An electronic annex listing affordable housing projects across all tenures that have been identified as priorities for funding over the five year period. This will:
 - Include rolling forward existing projects from the previous SHIP (October 2018) where appropriate;
 - Set out the funding and delivery mechanism; and
 - Demonstrate that the projects and resources will be realistically delivered over the plan period, highlighting any potential risks.

This second element of the SHIP is located on the Scottish Government's online HARP system (Housing And Regeneration Programme), however a summary list of projects is included in the narrative document for ease of reference.

2) THE STRATEGIC FRAMEWORK

▪ Local Outcome Improvement Plan (LOIP)



The Argyll and Bute Outcome Improvement Plan 2013-2023 (previously the Single Outcome Agreement / Community Plan) sets out the Community Planning Partnership's (CPP) vision for achieving long term outcomes for communities in Argyll and Bute. As the overarching strategic document for local partners, including the council, it provides the high level context for a wide range of strategies, plans and policies, including both the Local Housing Strategy and the SHIP.

The overall objective of the plan for the 10 years to 2023 is –

Argyll and Bute's economic success is built on a growing population.

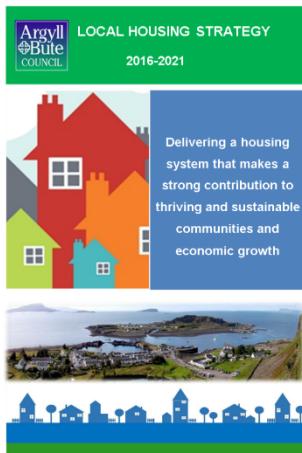
This objective is underpinned by 6 long term outcomes:-

In Argyll and Bute:

- 1. The economy is diverse and thriving.**
- 2. We have infrastructure that supports sustainable growth.**
- 3. Education, skills and training maximises opportunities for all.**
- 4. Children and young people have the best possible start.**
- 5. People live active, healthier and independent lives.**
- 6. People live in safer and stronger communities**

While the housing sector has a role to play in achieving all of these outcomes, the provision of affordable new build housing, particularly the delivery of the SHIP, is primarily focused on Outcome 2, in relation to infrastructure that supports sustainable growth.

▪ Local Housing Strategy (LHS) 2016-2021



The Council continues to ensure that the investment programme and priorities set out in the SHIP are consistent with the LHS and its annual updates; and that these remain firmly based upon a “robust and credible” assessment of housing need and demand (HNDA). Existing strategic priorities and outcomes continue to be ratified and supported by partners and stakeholders via the Argyll and Bute Strategic Housing Forum.

The current LHS was implemented in 2016, and covers the five year planning period to 2020/21. It sets out the core vision:

“To deliver a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”

Supporting this vision are four high level priorities:

- 1) To facilitate access to sufficient, suitable and affordable housing across all tenures**
- 2) To promote individual housing options to meet housing need**
- 3) To enable people to live independently in their own homes**
- 4) To regenerate communities through improving the quality, condition and energy efficiency of housing**

The SHIP plays a key role in achieving the vision and high level priorities, as well as delivering the affordable Housing Supply Targets (HSTs):

Argyll & Bute	Annual	5 Year Total	10 Year total
Total HST	240 - 300	1,200 -1,500	2,400 - 3,000
Affordable Housing	110-130	550-650	1,100-1,300
Private Market Housing	130-170	650-850	1,300-1,700

In summary, the SHIP will aim to deliver:

- At least 550 new affordable homes over five years;
- At least 80% of which should be for social rent; and
- 10% should comprise some form of “specialist provision” (e.g. wheelchair accessible, supported, amenity or sheltered)

In addition, the SHIP will support the provision of:

- An effective land bank of sites in areas of housing need; and
- An Affordable Housing Policy which maximizes the impact of private developer contributions.

3) PRIORITISING THE PROGRAMME

The SHIP sets out a clear and transparent framework for the prioritisation of projects to be delivered over the next five years. In prioritising the programme, the Council has sought to maintain an appropriate balance of housing provision across Argyll & Bute that reflects the affordable housing shortfalls identified in the five year HNDA, published in 2016, (and any subsequent local Housing Market Area or Community needs assessments) and contributes towards the outcomes detailed in the LHS and the Argyll and Bute Local Outcome Improvement Plan.

Council Housing Services reviewed the existing prioritization framework in August 2017, and found that this remains an appropriate and proportionate approach, subject to minor adjustments. As previously, within each HMA, investment is mainly targeted at communities exhibiting the greatest affordable housing pressures. These priorities continue to recognize the importance of investing in small rural communities as well as larger urban areas. The communities have been identified by consideration of:

- the relative and absolute pressure on the existing affordable housing;
- the ability to meet need in the wider housing market area; and
- recent investment patterns; as well as
- deliverability (site ownership, infrastructure or planning constraints, etc)

Given that localised “hotspots” or pressured areas may still be masked within the wider geographic HMAs, a further refinement of the evaluation process is also required at the localised settlement (or letting area) level, to reflect the complex rural and island geography of Argyll and Bute. Therefore, the Council continues to employ the following key indicators:-

Criteria	Indicator/Evidence
Identified need	HNDA & local updates – total shortfall in affordable housing.
Pressure ratios	CHR - waiting list applicants per available let on annual basis.
Homeless Pressure	HL1 statistics - total applicants per HMA & relative time to close cases; number/duration of temporary accommodation cases; RSL performance re housing homeless cases.
Social stock levels	Proportion of existing RSL stock to total number of dwellings on Council Tax Register.
Wider Strategic Fit	Links to, & synergies with, Local Development Plans (including support of the Council’s Key Rural Settlements as well as identified fragile areas); economic development plans or regeneration initiatives; or other wider community benefits.
Specialist Provision	HNDA/CHR/Health & Social Work caseload – total shortfall for special needs accommodation & evidence from waiting lists or bespoke research.
Risk/Deliverability	Satisfies key development criteria (site ownership; planning consent; resourced; infrastructure constraints; contractor capacity). Early liaison with Planning remains critical.
Affordability (of proposed rent)	Compared to Scottish Govt. benchmarks and other RSL rents; as % of LHA; and as % of local household incomes.

Prioritisation by Housing Need - In terms of distribution by Housing Market Area (HMA), the main need by far is evidenced in Oban & Lorn, the only HMA exhibiting continued growth. Topographically and geographically, options are constrained in Oban itself, therefore, Dunbeg is currently the primary development priority for the Council.

Strategically, Helensburgh & Lomond is also a high priority in terms of need and potential growth opportunities. Critically, the impact of the increased MOD presence at the Faslane naval base, and the consequential impact from families and dependents, as well as enhanced supply-chain requirements servicing the base, will inevitably result in additional accommodation pressures within this catchment area. Mid Argyll could benefit from further developments albeit this continues to be closely monitored to avoid creating imbalances in the existing system; and Cowal, as the HMA currently most at risk of severe depopulation, could be regenerated with judicious development, operating in tandem with improvements in employment opportunities and transport infrastructure; and there may be emerging particular needs in this HMA for a few larger families requiring specialist provision. Caution however will be required to ensure new build developments in this area do not have any unintended, adverse consequences for the existing housing system.

Small-scale developments could also have a significant and positive impact on the Atlantic Islands. However, Bute and Kintyre still appear to be relatively well balanced in terms of current supply and demand (annual RSL lets are more than sufficient to address waiting list demand, and there are a number of long-term voids in these areas, with key landlords undertaking strategic stock rationalisation and/or demolition) and therefore any new build in these two HMAs should focus on unsubsidised, private market accommodation.

Prioritisation by Tenure - The LHS proposes that a majority of the programme should be for social rent (no less than 80% of completions), however, alternative tenures such as mid-market rent, shared equity or other low cost home ownership options, will be considered on a site-by-site basis in line with local market conditions and needs, and actively encouraged where appropriate and subject to a robust business case being made.

Prioritisation by Size – The SHIP will continue to promote the delivery of smaller properties (1 and 2 bedrooms) where practical, in line with the HNDA and the continuing evidence of the HOMEArgyll common housing register. In 2019, for example, 81.8% of the active waiting list applicants required 1 or 2 bedroom accommodation; while 13.4% required three beds and only 4.8% required 4 or more bedded properties. Nevertheless, the requirement for larger, family-sized accommodation will continue to be monitored and addressed as appropriate, and to allow for a degree of flexibility within the local housing system.

Prioritisation by Particular Needs – Given the impact of the ageing population, and the particular needs of other sectors of the population

including the physically disabled and those with learning disabilities or mental health issues, as outlined in the HNDA, and as reinforced in the findings of the joint Health, Care and Housing Needs Assessment produced in 2018 by the council and the HSCP, the LHS specifies a *minimum* target of 10% of new build should be purpose designed as specialist provision to suit households with medium to high level particular needs. This includes provision of wheelchair and extra care accommodation, and, particularly, medium dependency, amenity housing. As far as possible, all general needs new builds are designed to the lifetime, Housing for Varying Needs Standards, to maximise the accessibility for residents whose circumstances and needs will change over time. In addition, the extent and nature of the future ageing population, for instance, will necessitate strategic investment in the development and delivery of housing-based care, support and aids and adaptations. To this end, the Council has developed a more cohesive partnership with the Integrated Health & Social Care body to ensure that the SHIP process is fully aligned with the health and social care integration agenda and other relevant plans such as the “Keys to Life” strategy for persons with learning disabilities, the Integrated Children’s Services Plan, the refreshed national housing strategy for Older Persons published in August 2018, “Age, Home and Community: the next phase”; and the Fairer Scotland for Disabled People strategy published by the Scottish Government in 2016; among others.

The finer detail of the programme will be arrived at through specification of suitable type and size of accommodation for individual developments, taking into account the needs of actual households on the waiting list and, where appropriate and as far as possible, in consultation with local community stakeholders. Ultimately, in terms of project prioritization, final preference will be influenced by project costings, therefore the proposed programme can only be indicative at this stage.

Rural and Island Proofing¹ – the Council’s Housing Service will continue to apply a policy of rural-proofing housing plans and strategies to ensure the more remote and isolated areas, or those designated as “fragile”, are not disadvantaged or adversely affected by investment and development decisions. Critical to this aim, is joint working with local planners to support the development and sustainability of designated key rural settlements across Argyll and Bute as well as supporting the aims of the Loch Lomond & Trossachs National Park. As well as the ratio of waiting list applicants to available RSL lets and other indicators outlined above, key factors influencing the prioritization of rural developments include: the ratio of social housing to second homes; proportionate historic losses through Right to Buy; the percentage of social housing to total dwelling stock; and the ratio of local earnings to average or lower quartile house prices and private rents.

¹ Rurality is defined in the Scottish Government Urban Rural Classification, see: <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>. In addition, one definition of fragility is outlined in the report: Review of Fragile Areas and Employment Action Areas in the Highlands and Islands, HIE, November 2014.

While existing, evidenced need remains the primary concern, consideration will also be given to rural areas of potential economic development and/or population growth in liaison with Economic Development colleagues and the local business sector. In this context, the potential impact of the proposed 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. Housing opportunities being pursued via the RGD include innovative construction methods, such as off-site, modular homes for example.

The rural/urban housing differential is acknowledged nationally, in the structure of the Scottish Government's benchmark framework for grant funding, whereby Argyll and Bute receives a rural uplift to address the additional costs involved in remote rural and island development. The council recently commissioned dedicated studies of island housing markets, specifically for Mull and Islay², which provide evidence on the disproportionate uplift development costs for these areas and highlight specific issues and barriers to development in these contexts.

This SHIP has also been developed within the context of **the Islands (Scotland) Act 2018** which introduced measures to support and help the unique needs of Scotland's islands now and in the future. The Act also seeks to help create the right environment for sustainable growth and empowered communities. With around 26 inhabited islands in this local authority area, Argyll and Bute is committed to supporting and sustaining population and economic growth in these communities and will always ensure to engage directly with the islands and carry out impact assessments when new policies and strategies are being developed that may impact on them. The SHIP aims to support the priorities of the island communities, and our consultation reflects this commitment. In addition to the foresaid island studies, we ensure that our overarching HNDA process allows for a significant, representative sample of local households on individual islands to participate and register their housing needs and voice their general views on local housing.

Over the first three years of the current LHS, a total of 55 new homes were delivered via the SHIP on the islands, amounting to 16% of the total completions. The islands received SHIP investment of £9,769,877 to deliver these new homes, amounting to 20% of the total SHIP investment in Argyll and Bute over that period. In addition, there are 22 new builds on site on Mull and Islay, with potential scope for a further 45 to be delivered across Islay, Jura, Mull and Colonsay in the next couple of years.

As noted in a later section of the Plan, we are also engaging with, and providing support to, island and rural communities who are pursuing funding bids and feasibility studies via the Scottish Government's Rural & Island Housing Fund.

4) DELIVERING THE PROGRAMME: MITIGATING RISKS AND RESOLVING DEVELOPMENT CONSTRAINTS

Housing Review, Rural Housing Scotland (2019).

It is important to identify, assess and respond to any risks or potential constraints that might impact on the overall programme or individual projects; and that effective measures are taken to mitigate these as far and as early as possible. The SHIP aims to provide assurance that, if funding is secured, any other constraints will be resolved by the time of estimated site start of the relevant project. The main risks or constraints that tend to apply to the SHIP programme include:

- Development and Infrastructure constraints
- Financial Assumptions
- Planning issues
- Legal procedural constraints; and
- Effective land supply

In addition, an ongoing, critical factor in the context of this authority is the capacity of the local construction sector and the constrained market for competitive tendering.

The council and its partners are working continuously to minimize these risks and mitigate constraints as far as possible, for example:-

Development Constraints (such as infrastructure issues: roads, utilities, ground condition problems/ abnormal costs) - The core SHIP programme has always aimed to focus on sites that are not subject to significant development constraints such as contaminated brownfield sites, designated greenbelt areas, or sites with restricted infrastructure capacity in terms of access roads or water supply. However, in certain instances within some highly pressured areas where a substantial shortfall in affordable housing is evidenced, or in areas of wider strategic importance, it may be necessary to consider such sites in the absence of more practicable or easily-progressed sites. Apart from the site constraint itself there may be costs associated with carrying out remedial works, preliminary feasibility studies, or mitigating the potential impact on areas of archaeological significance or on historic buildings and this places a further constraint on site development. Mitigation may be aided by ensuring site investigation is carried out at early stages; and seeking to ensure land values reflect any remediation costs. In terms of infrastructure constraints, such as Scottish Water connections/ capacity/ access, early discussions with the Utilities companies will be initiated to address potential issues and achieve possible synergies in investment programmes. Where possible, abnormal costs should be deducted from the land purchase price and unforeseen costs may be met through the Scottish Government's Housing Infrastructure Fund; the council's Strategic Housing Fund, developer contributions, or other sources such as potential Rural Growth Deal funding subject to the outcome of the formal bid to government.

The Housing Infrastructure Fund (HIF) in particular has already proven to be a significant factor in supporting housing development in this authority through loans or grants for sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works; and can help facilitate the unlocking of these sites for the delivery of housing. The council successfully prioritised the further development of Dunbeg, for instance, as a key site for delivery of housing utilising this fund, and was awarded £2.1m in total, in line with the eligibility criteria and guidance set out by the Scottish Government. (See Section 6 for further details regarding the HIF investment in Argyll and Bute.)

Effective Land Supply - The historic RSL land bank and available council owned sites have now been depleted and it may be that in the future land assembly will prove a significant challenge. A notable feature of a rural and island authority such as Argyll and Bute is the dominance of large estates in terms of land ownership in many areas exhibiting housing need, and this can present additional challenges in respect of accessing and assembling suitable sites for development. Nevertheless, through collaborative efforts with planning colleagues, the council and National Park are confident that a “generous” supply of land for affordable housing continues to be sustained. The council continues to audit housing allocations in the current Local Development Plan to ensure a more robust and rigorous approach to effective site provision. Partners continue to carefully consider the timing and possible phasing of developments to make realistic assumptions on when affordable housing will proceed. We aim to ensure that a sufficient supply of sites remains identified in the system to accommodate unforeseen slippage in the timing of projects coming forward; and to maximise the benefits of increased or additional funding. The council’s combined Planning, Housing and Regulatory Services’ annual Planning Performance Framework, 2018/19 recorded the following National Headline Indicators (NHIs):-

Effective Housing Land Supply	2018/19	2017/18	2016/17
Established housing land supply	5387 units	5471	5865
5-year effective housing land supply	3742 units	3808	3908
5-year effective land supply total capacity	5106 units	4419	n/a
5-year housing supply target	3725 units	3725	3725
5-year effective housing land supply	5.0 years	5.1	5.2
Housing approvals	909 units	539	866
Housing completions over the last 5 years	1080 units	1088	1149

Additional land supply, in parts of Cowal and Lomond, is set out in the Loch Lomond & Trossachs National Park Plan which operates as the strategic planning authority for these areas within Argyll and Bute. Occasionally, proposed projects are subject to complex or protracted negotiations with private owners and their agents which can impact on the timing and ultimately on their deliverability. Therefore effective liaison with the Scottish Government to prioritise projects and progress site acquisitions to enable projects to be pulled forward if required, is essential. In addition, the impact of both the Council and National Park Affordable Housing Policies continues to prove invaluable; and there is an obvious need to sustain practical negotiations with landowners, Estates, private developers and others. Some RSL partners have however

raised concerns that in the current climate the application of the Council's Affordable Housing Policy will make site development less attractive and sites are only likely to be developed where there is a pressure to secure a return in the short term. To facilitate private development, therefore, the Council's current policy exempts certain low pressure areas in accordance with the current HNDA (e.g. Bute, Kintyre) from the 25% affordable quota. However, in general, in the medium to long term, the private ownership of many sites in Argyll and Bute means that the Affordable Housing Policy will continue to have a definite role in securing a sufficient supply of affordable housing through developer contributions. Strategic engagement with local communities and agencies such as Highlands & Islands Enterprise to assess potential use of Strategic Land Fund, where appropriate, may provide benefits; and additional mechanisms may also be available via recent initiatives such as the Rural or Island Housing Funds and new Community Empowerment legislation.

The council is also exploring the current legislation around Compulsory Purchase Orders (CPOs) and will consider the potential benefits of pursuing these on a case by case basis, where circumstances are proving unreasonably intransigent and there are compelling benefits to the public interest.

Planning issues - Early discussions will continue to be prioritised with planning services (both Council & National Park) regarding road layouts/ car parking requirements, school catchment areas, and other possible issues. The provision of adequate footpaths adjacent to new developments, for instance, have been particular prominent issues in relation to a number of recent SHIP projects. All of the development sites included in the SHIP programme should be effective given that they will, in most cases, require to be already allocated for housing development in the relevant local development plans. Many of the sites identified in the SHIP are of relatively small capacity. The costs associated with progressing smaller sites in the more remote rural areas are likely to be higher if developed as standalone projects. However it is envisaged that, where SHIP sites form part of a larger allocation identified in the LDP, through partnership working with private developers on adjacent sites the risk of such sites not being developed on cost grounds will be reduced.

More rigorous build quality standards, and "greener" standard requirements, can lead to conflicting pressures in terms of resources required per unit. RSLs and their partners continue to highlight concerns in balancing cost and quality considerations, especially given the ongoing cost of securing private finance in recent years.

Local RSLs are also currently committed to exploring effective measures for maximising procurement efficiencies through volume, but also continuity of work and standardisation of specifications and products as far as possible. Historically, the constrained capacity of the local construction sector has been seen as a particular issue and this remains a critical factor for this authority, (particularly beyond the Helensburgh area which benefits from wider competition from outwith the local authority boundaries) however there has been an increase in the number of potential contractors operating in the area in recent years and

currently it could be argued that the situation in Argyll and Bute is healthier than it has ever been.

RSLs face increased risk in delivering and selling shared equity units or mid-market rent schemes, in the current economic climate. These products are still relatively new and untested in the context of local markets, with little or no comparators available to support robust financial evaluation, and quantifying realistic demand also proves problematic. The Council has been required to provide extended loan facilities to counter this particular problem in the past. In the future, provision for tenures other than social rent will require detailed business plans and must reflect robust and credible assessment of local needs before approval, however, the council is keen to encourage and support alternative, intermediate tenures when appropriate to enhance the mix within the local housing system and to increase the range of potential housing options.

Second-Hand Properties and Empty or Second Homes.

While the primary focus of the SHIP is on the delivery of new build homes, the council will also utilise resources and explore available mechanisms to increase the supply of affordable housing via the acquisition of 'second hand' stock that is for sale on the open market, where it can be demonstrated that this is the most appropriate method of meeting housing need in a particular area, or via the council's empty homes initiative.

Argyll and Bute Council established a dedicated Empty Homes Officer post in 2013 which has proved very successful in identifying and engaging with private sector vacant property owners. This work is underpinned by the additional council tax revenue raised by the council via the exercising of its discretionary powers to remove tax discounts and apply an increased levy on long-term empty homes. This revenue is channeled via the council's Strategic Housing Fund, and details of the annual income and spend, commitments and carry forward are set out in Section 6(b) below. In addition to the delivery of new affordable units via the SHIP programme, this fund supports the Empty Homes Officer post and provides a loan and grant facility to bring private sector empty homes back into effective use.

In February 2016 the council agreed to make a total of £610k available from the Strategic Housing Fund for the purpose of bringing empty homes back into use. The monies were allocated with £500k available for grants and £110k available for loans. To date £193k has been spent/committed on Empty Homes Grants for 10 properties and £80k paid in an Empty Homes Loan for the Police Station in Port Ellen.

Over the last three years, the EHO post has helped to bring over 150 empty properties back into the effective stock, in the majority of cases without recourse to direct financial aid. The current SHIP programme includes one unit in Southend, Kintyre which has been acquired by ACHA and refurbished for a local tenant with particular needs, through positive partnership working.

5) PARTNERSHIP WORKING AND CONSULTATION

As outlined in previous SHIPs, the preparation of this plan, as well as the planning and delivery of individual projects, remains a continuous, iterative corporate activity. From 2019, close working relationships will be further enhanced and streamlined as the council's service restructuring brings Housing and Planning Services together with Economic Development and Regeneration in a single department of Development and Infrastructure, under one Head of Service. In addition, the internal joint working will include ad hoc involvement of other departments such as Roads, Property Development/Estates when appropriate. The SHIP process particularly reflects a strong collaborative approach with Registered Social Landlords (RSLs, or housing associations), the Scottish Government, communities, developers and other stakeholders.

Key partners include:

- The Scottish Government: More Homes Scotland Division
- Argyll & Bute Council
- Argyll & Bute Health & Social Care Partnership
- Argyll Community Housing Association
- Fyne Homes Housing Association
- Dunbritton Housing Association
- West Highland Housing Association
- Link Group Ltd
- Bield Housing Association
- Trust Housing Association
- HMNB Clyde/ MOD
- Loch Lomond & Trossachs National Park
- Third Party agencies such as Rural Housing Scotland and Community Housing Scotland.

At the very local level, on a site by site basis, RSLs and Council officials continue to liaise closely with private developers, local land owners, local community groups and development trusts, and a range of other stakeholders to negotiate, facilitate, enable and deliver viable projects within the context of the LHS and the framework of the SHIP. 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 residents are routinely consulted.

The Argyll & Bute Strategic Housing Forum, comprising a wide range of key partners from the Community Planning Partnership, constitutes the overarching body with ultimate responsibility for overseeing the implementation and monitoring of the LHS and the SHIP; and is chaired by an elected Member with the policy remit for Communities, Housing, Islands and Gaelic. The Strategic Housing Forum is also responsible for making appropriate recommendations to Council Members and for influencing the Scottish Government in respect of housing issues in Argyll and Bute.

The SHIP Officers Development Group - In addition to regular programming meetings between the Council, the Scottish Government and individual RSLs, a dedicated SHIP Officers Group continues to bring practitioners from all these parties together on a quarterly basis to address and progress operational development matters which are then reported to the overarching Strategic Housing Forum. Over the last year a secondary SHIP Group involving other partners such as infrastructure services (Roads and Amenities) and agencies such as Scottish Water have met to consider specific issues. This has proved invaluable in addressing specific constraints and will in future be incorporated as appropriate within the SHIP Officers Group.

Wider Stakeholders, Local Business, and Economic Development - Other stakeholders and strategic partners will be engaged on an ad hoc basis as appropriate. Increasingly, given the overarching strategic imperatives, economic development and regeneration partners are also emerging as key associates in the SHIP and LHS process. This has led, for instance, to an ad hoc working group (facilitated by Housing, Economic Development and HIE) co-ordinating a dedicated event in August 2018 for local employers and representatives of the business sector to engage with housing providers, and explore innovative delivery mechanisms and opportunities such as the Rural Growth Deal. The event also provided networking opportunities for local community representatives as well as RSLs (which of course constitute local, community-based and focused organisations and charitable associations in their own right). In total, over 50 organisations, agencies, services and individuals attended the event, and the intention is to retain this network as one thematic interest group for future consultation and engagement. A dedicated follow-up event is planned for September/October 2019.

Community Engagement - In addition to the above, the council has recently reviewed and updated its approach to localised housing need and demand assessment; building on a number of years' experience with community councils, development trusts, local study groups, green belt groups, tenants and residents' associations, and various other local bodies across mainland Argyll and throughout the islands. The result is a detailed resource for local communities and third party support agencies to carry out surveys, stakeholder engagement, and data analysis, with the support of council staff, in order to assemble the crucial, "high quality, fit for purpose" evidence base required to secure public funding and help to deliver practical housing solutions³. The council has already engaged with local representatives on Mull, and community councils in North Lorn, for instance, to implement the new toolkit; and this will now be made available both proactively and on demand.

³ The Argyll and Bute Community Housing Assessment Toolkit (CHAT) is available on demand from Council Housing Services. See contact details on the final page of this Plan.

Health and Social Care Partners



As a priority, the Council continues to foster closer engagement with the Health & Social Care Partnership (HSCP) at all levels (from senior management group to locality planning groups) and at the earliest possible stages in the process. The HSCP's latest three year Strategic Plan was launched in April 2019, incorporating a revised and updated Housing Contribution Statement (HCS) which outlines the essential role that housing plays in supporting and maintaining independence, health and well-being of all residents. The SHIP has a direct and significant contribution to make to these outcomes.

Following the production of the joint Health, Care and Housing Needs Assessment in 2018, and the recommendations which were appraised by a wide range of cross-sectoral stakeholders at a dedicated workshop session and subsequently approved by the Strategic Housing Forum that year, the revised HCS sets out a joint vision for housing, health and social care in Argyll and Bute:

“People in Argyll and Bute with health and social care needs have access to housing options that maximise their health, wellbeing and independence”

To achieve this, people need to be enabled, through their contacts with services and provision of information, to live at home, or in a homely setting, as independently as possible and to be well connected to their communities. The delivery of suitable specialist provision via the SHIP programme will be critical to this.

A dedicated Housing Occupational Therapist (OT) post was created to take this agenda forward and cement the close partnership working between the council, RSLs and the HSCP. This includes reviewing the circumstances and requirements of families with particular needs; developing a better understanding of the accommodation and support needs of wheelchair users; and facilitating early interventions, particularly in relation to adaptations. One innovative outcome of this joint working was the delivery of a cross-sectoral training programme for partners, and this will also help to inform the SHIP process and promote greater engagement across the board.

The Housing OT and relevant HSCP officers will continue to participate in the SHIP Operational Group as well as the Strategic Housing Forum.

HMNB Clyde / MOD engagement

As reported in previous SHIPs, the Strategic Delivery and Development Framework (SDDF) was established between the Council and HMNB Clyde to achieve maximum benefit for the Base and the wider community as a consequence of the proposals for increasing the naval presence at Faslane. This dedicated working group continues to explore the potential accommodation needs arising from the development of the naval base as the Royal Navy's UK Submarine Centre of Specialization; and the consequent economic impact this is likely to have in the local area. The SHIP is therefore required to take full account of the associated emerging accommodation needs in the Helensburgh and Lomond area. To this end a comprehensive housing market study of the area was completed in 2018 which involved further extensive consultation and stakeholder engagement; and a wider economic study is being carried out by the council in partnership with the MOD.

A key issue in relation to housing and potential requirements for the SHIP, will be the proposed implementation of the Future Accommodation Model (FAM) which is being piloted by the MOD. The 2015 Strategic Defence and Security Review (SDSR) committed the Ministry of Defence to make a new accommodation offer, to help more service personnel live in private accommodation and meet their aspirations for home ownership. The way people live and work is changing and the FAM reflects this, giving more choice to more Service personnel and their families over where, how and with whom they live.

This 3 year (approximately) pilot is a chance for the MOD to test the policy and the way it is delivered before a decision is made about whether to roll out the FAM across the UK. If this is confirmed, the majority of bases will gradually transition to the FAM over the next decade or two. Indications are that FAM will now be implemented with the Faslane site, and this will have a direct impact on the Helensburgh & Lomond housing market area, and beyond. Ensuring sufficient and suitable capacity within the local housing system to address the anticipated increased demand will be a priority for the SHIP over the next 5 – 10 years.

6) RESOURCING THE PROGRAMME & THE COUNCIL'S CONTRIBUTION

There are three primary funding sources for the SHIP:

- a) Scottish Government Grant (the Affordable Housing Supply Programme – AHSP)
- b) Council grant or long-term loan (the Argyll & Bute Strategic Housing Fund – SHF; which may be supplemented from Council central reserves)
- c) Registered Social Landlord (RSL) Private Finance Borrowing

The majority of developments will require a complex package of funding from at least all of these sources (additional investment from other sources may also be required – some of these are outlined below).

a) Scottish Government Resource Planning Assumptions (RPAs)

In April 2019 the Scottish Government confirmed local authorities' RPAs for the two years 2019/20 and 2020/21. This involved further increases on previous assumptions and will support longer term planning for the affordable housing supply.

Argyll & Bute	2019/20	2020/21	Total
Annual RPA	£18.407m	£19.527m	£37.934

Source: Scottish Government Letter of Confirmation, April 2019

In addition, the revised SHIP Guidance, published in August 2019, advises that in line with the Scottish Government's 50,000 affordable homes target, local authorities are expected to over-programme for the first year of the new SHIP period (to March 2021) to ensure delivery should slippage occur. The recommendation is that a minimum slippage factor of 25% be applied to the AHSP for this year.

This would give a potential working figure for 2020/21 of £24.408m. The revised guidance also suggests that, in the absence of RPAs post 31 March 2021, local authorities should plan on the basis of existing RPA levels. However, this is a provisional assumption and it must be acknowledged that there is no guarantee or certainty around AHSP funding beyond 2021.

Working with RSLs and the Scottish Government's local More Homes Scotland team, the council estimates current requirements from the AHSP to deliver the proposed programme in full would be in line with this level of investment.

An approximate calculation (based on the average Affordable Housing Supply Programme 3 person unit benchmark of £82k for social rent in rural Argyll) would suggest that this level of investment could deliver between 460-520 new affordable homes in the period from 2019/20 to 2020/21. It should be noted that this is potential investment for Argyll and Bute, dependent on actual need and

deliverability of suitable projects; and 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.

b) The Council's Contribution – The Strategic Housing Fund

Resourcing the SHIP programme also requires a significant contribution from the Council's Strategic Housing Fund (SHF). This Fund is primarily based on the revenue raised from reduced tax discounts on empty and second homes: where local authorities have used discretionary powers and reduced the empty and second homes tax discounts, the additional revenue **must** be used to support affordable housing provision in their areas. In addition, since 2013 local authorities have had flexibility to remove the discount entirely and to apply a levy of up to 100% on long-term empty properties. These revenues are not ring-fenced although their use to bring long-term empty properties back into use, or to support affordable housing provision, is encouraged by the Scottish Government.

Since 2007, the SHF in Argyll and Bute has been used for the following eligible expenditure:

- Expenditure incurred in relation to assets formally held on the Housing Revenue Account;
- Expenditure relating to the acquisition of sites for the landbank;
- Expenditure related to the delivery of the Empty Homes Initiative;
- Payments to enhance infrastructure where this is restricting the development of affordable housing; and
- Payments to registered social landlords (RSLs) to partially fund proposed projects to deliver homes in accordance with the local housing strategy
- Following the council's annual policy review of the Strategic Housing Fund in 2018, potential grant payment of £12k per unit was also extended to local community bodies, which have been awarded Scottish Government support from the Rural or Island Housing funds, to deliver affordable homes.

The balance of this Fund as of 31 March 2019 was £9.319m; of which £1.183m was already committed and £7.956m was available to fund the SHIP programme. It is anticipated that the SHF will continue to accrue annual revenue in the order of £2m over the SHIP planning period.

The SHIP sets out plans to fully utilize this balance over 5 years to support the affordable housing development programme, including empty homes grants and loans. Since April 2016 the Council has provided grant funding of £12k per unit, to supplement Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this remains the most appropriate and cost effective level of grant aid to support the SHIP programme. Around **£0.168m** was invested from this source by the Council to support the SHIP in the financial year 2018/19; while in total over **£1.721m** was allocated to support the 8 projects and 107 new affordable homes completed that year (with funding being drawn down over two or more years).

The council reviewed the Strategic Housing Fund policy in 2018/19 and a further comprehensive policy review will be carried out by 2021 with a view to ensuring that this resource continues to complement Scottish Government priorities for Housing Beyond 2021.

An indicative estimate of circa £6m would be required to support in full the Scottish Government investment outlined in the two year RPAs above; and over £12.8m would be required in order to support all core projects outlined in this SHIP, including the 2019/20 programme plus the additional, notional projects up to 2025.

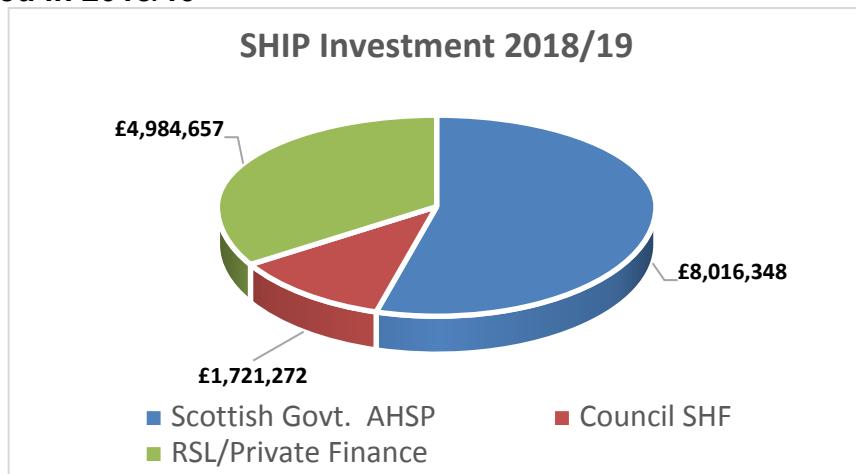
In addition, the Council has also used its financial reserves on occasion to advance long term loans to support RSL projects and this commitment is subject to ongoing review.

c) RSL's Private Finance Borrowing

Banks and other lenders in the private sector also remain vitally important partners in the delivery of affordable housing, and RSLs are required to demonstrate that sufficient borrowing capacity or reserves exist to ensure delivery of the proposed development programme. Following a period of restrictive lending, with greater scrutiny of projects, higher lending rates and the requirement for additional security from existing stock, which often resulted in RSLs being forced to use their own reserves rather than borrow under such conditions; RSLs are now reporting positive improvements in their potential to access private finance; and at a national level the sector continues to explore innovative funding models. Private finance in support of the 8 SHIP projects completed in 2018/19, totaled almost **£5m**, approximately 34% of the total investment for those projects.

Additional investment in support of the SHIP programme includes, inter alia, Scottish Water grant; sales revenue on New Supply Shared Equity (NSSE) schemes; and other partner contributions, such as local Estates.

Figure 1: Breakdown of SHIP investment (all sources) for all projects completed in 2018/19

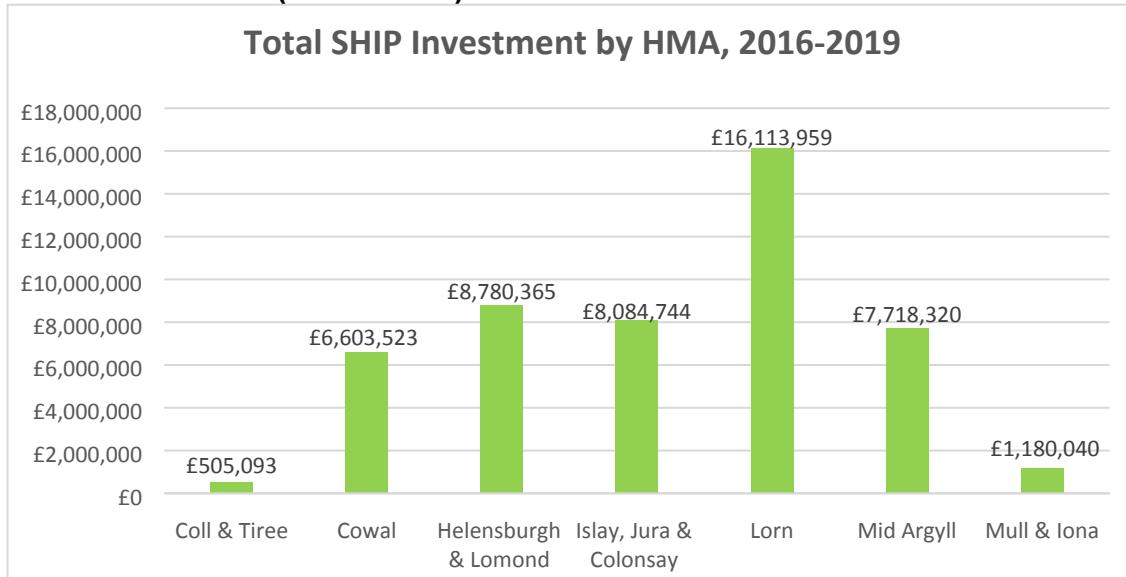


Total investment from all sources for all SHIP projects completed in 2018/19 (as opposed to the actual spend within the year) amounted to £14.7m. In terms of RSL projects, the breakdown by landlord/developer was:

ACHA	- £3,625,018 (25%)
Fyne Homes	- £5,289,442 (36%)
Link	- £1,046,804 (7%)
Dunbritton	- £4,761,013 (32%)

(NB. West Highland Housing Association had no completions within this year).

Figure 2: Annual Investment for Completed Projects by HMA, 2016/17 - 2018/19 (all sources)



Housing Infrastructure Fund (HIF)

This is a five-year Scottish Government programme, running to at least March 2021, which supports housing development through loans (£40m in total) and grants (£10m in total) with priority given to sites which are of strategic importance and cannot proceed or have stalled due to infrastructure requirements. Grant is available to local authorities and RSLs for works which are a) outwith the curtilage of the affordable housing site and/or b) of scale and will open up larger sites for housing development. Loans are available for viable non-public sector led sites to support infrastructure delivery.

The Council's main priority for HIF funding is the Dunbeg development in Lorn, being delivered by the Link Group. In March 2019 the Scottish Government confirmed a revised offer of Housing Infrastructure Fund grant amounting to **£2,129,247** for upgrade works to Kirk Road to enable the development of 300 new affordable homes at Dunbeg to proceed. This remains a major priority for the council, Link and West Highland Housing Associations who are working in partnership to deliver the project. Housing Services has worked with colleagues across the Council and the Scottish Government to ensure the project is completed timeously and to date £1.85m has been paid.

Over the last year there has been significant progress with the road upgrades, involving tree clearance and road widening.



Kevin Stewart, MSP, visited the Dunbeg development in Oban for a sod-cutting event in January 2019, to mark the start of construction on Phase Three of the 'Dunbeg Development Corridor Masterplan'. Representatives from Link, Argyll and Bute Council, and West Highland Housing Association welcomed the Minister to the development, which was approved by the Council in May 2017. The Minister stated that "The Scottish Government has agreed to support this project with **£35.5 million** from the Affordable Housing Supply Programme to allow the development of 300 affordable homes. We want rural communities to thrive and meet the needs of all of their residents, businesses and visitors. I know that this investment will make a real difference, not just by providing more homes, but also supporting the economic regeneration of the area."



The HIF will continue to be a key resource due to the difficulties of progressing many of the remaining/new projects.

Rural and Islands Housing Funds

The Scottish Government has also established a £25 million Rural Housing Fund and a £5 million Islands Housing Fund which run until 2021. Both funds aim to increase the supply of affordable housing of all tenures in rural Scotland and contribute to the national 50,000 affordable homes target. The Islands Housing Fund provides £5 million ring-fenced for islands housing projects and comprises two parts:

1. a main fund that offers capital support (grants and loans) for direct provision of new affordable housing, and refurbishment of existing empty properties
2. a small fund that contributes to feasibility studies

Both funds are open to a wide range of applicants including: community organizations; development trusts; private landowners; private developers; and traditional housing providers; however applications from individuals will not be accepted. Eligible projects must have a specific site or properties identified; be in an eligible rural area – levels 4, 5, and 6 of the six-fold urban/rural classification, which includes the majority of Argyll and Bute.

Islands Housing Fund applications must be located on a Scottish Island; demonstrate evidence of housing pressure in the location identified; have the support of the relevant local authority; be prepared to undertake appropriate community engagement; and be able to provide long term affordable housing. Applicants can apply for either the rural Housing Fund or the Islands Housing Fund, not both.

In 2019, local community-led bids for Mull, Ulva, Islay, Colonsay and Gigha have sought this national funding to carry out feasibility studies into the delivery of small scale developments on island sites, with support from the council and third party agencies such as Rural Housing Scotland and Community Housing Scotland.

Other Initiatives

The council and strategic partners also continue to explore other potential funding sources, such as the Scottish Government's Building Scotland Fund; the national Self-Build Loan Fund of £4m which was announced in September 2018, following a pilot exercise in Highland local authority; and the Partnership Support for Regeneration scheme which can provide grants "to increase the stock of owner occupied or private rented housing in areas where this is useful to ensure effective physical, social and environmental regeneration". These initiatives could provide additional investment which will support the delivery of the SHIP and/or alternative affordable housing provision in the future.

We will also continue to explore and, where appropriate, promote non-AHSP financing models such as Build-to-Rent, Low-cost Initiative for First Time Buyers (LIFT), Help to Buy (Scotland) and Open Market Shared Equity (OMSE), outwith the remit of the SHIP.

Developer Contributions

Argyll and Bute falls within the purview of two planning authorities: while the council covers most of the mainland and islands, Loch Lomond & Trossachs National Park is the planning authority for parts of Cowal and Lomond. Both authorities have set out formal Affordable Housing Policies in their respective Local Development Plans. These policies outline mechanisms and options to secure developer contributions, where there is a demonstrated need for affordable housing.

The council's current policy was adopted in supplementary guidance to the LDP in March 2016, and requires that outwith specified housing allocations and Potential Development Areas (PDAs) new private developments proposing 8 or more homes should deliver a minimum of 25% affordable housing units. There are exemptions in HMAs such as Bute and Kintyre, where the HNDA identified limited or nil requirement. The Cowal HMA was also subject to a two year exemption which ended in 2017. Exemptions are designed to avoid inhibiting the delivery of private development in areas where there is no evidence of pressing need for additional affordable provision in the short to medium term.

Developer contributions can be delivered by a variety of means including social rented housing, mid-market rented housing, payment of commuted sums and also the building of houses/apartments designed to meet the needs of first time buyers (provided these are available at affordable levels as defined by the council's HNDA and with reference to the relevant local housing market).

The sequential mechanisms for securing Affordable Housing via the policy are applied in the following order:

- on-site provision;
- off-site provision;
- commuted payment;
- discounted low cost sale;
- affordability by design without subsidy.

To date, no commuted sums have been received and the preferred approach has been to engage with an RSL to deliver the affordable quota on site.

The National Park policy follows a generally similar approach, with a requirement for 25%, 33% or 50% affordable provision on sites of 4 or more units depending on the location. Sites of up to 3 units in accessible rural areas may also have a policy requirement under certain circumstances. A formal policy for calculating commuted sums has been established but again, to date, little or no payments have been received.

The delivery of unsubsidized affordable housing for purchase via the Affordable Housing Policy, but without Scottish Government funding, will normally target a different client group and requires close working between Housing Services and Planning colleagues to ensure these models are in fact affordable in accordance with the LHS and SHIP priorities.

7) SPECIALIST PROVISION, WHEELCHAIR ACCESSIBLE HOUSING, & EQUALITIES ISSUES

The SHIP aims to address the housing needs of all the communities we serve, and continues to reflect a positive approach to equalities issues in line with the policies of the council and its partners, and the principles of diversity and inclusion in accordance with the Equality Act 2010. The current HNDA provides robust evidence of accommodation and support needs across the range of protected equalities characteristics, and these have been translated into the SHIP priorities. In addition, the joint Argyll and Bute Health, Care & Housing Needs Assessment, completed in 2018, provides further evidence of the requirements for wheelchair accommodation, supported housing, and other forms of specialist provision.

An overarching equality impact assessment was completed for the LHS in 2016 and this continues to inform our assessment of the impact of the SHIP, and how the strategic aims are embodied in the housing priorities of the programme.

All SHIP projects, seeking public subsidy from the Council or Scottish Government, are required to meet basic design and building standards (of the Housing for Varying Needs Standard as a minimum) and should incorporate adequate provision to meet any additional identified particular needs. Prioritisation of projects will give due weight to those which incorporate elements of design or additional specifications for specialist forms of housing where the local profile of need and demand indicates such a requirement. The committed and planned programmes include provision for elderly and disabled residents and through the close partnership working with Health & Social Work, including Occupational Therapists, the SHIP will continue to ensure the strategic aims of the LHS in this respect are carried forward. In particular, a jointly funded post of dedicated Housing OT was established in October 2018, to co-ordinate and promote these needs through the SHIP group. In practice, this commitment to equalities principles will ensure:

- building all new affordable housing to HfVN Standards;
- implementing design solutions which help to meet the needs of disabled and infirm households;
- assessing and seeking to resolve the needs and aspirations of households with community care needs in partnership;
- developing communities with a good mix of households;
- allocating housing via HOME Argyll and national RSL partners who have strong commitments to equal opportunities; and
- providing affordable housing in rural areas which enables young and old people to remain within their communities.

Housing for Varying Needs (HfVNs) is a Design Guide published in two volumes (Parts 1 and 2). While not mandatory, the standards outlined in the guide have been used as the basis for standards for housing developments seeking grant funding support. The standards are intended to ensure that the housing is

accessible, adaptable for different needs and over its lifetime represents good value for money. They are based on the principle that the design of a property should not hinder a person's ability to live as independently as possible and should recognize the needs of people as they age, become less able or whose mobility, dexterity, cognitive function, hearing or sight is impaired. The idea of designing all housing to accommodate the needs of less able people is known as "barrier free" design and this is reflected in the core guidance of the design guide. But the guide also recognizes that barrier free design in itself is not a substitute for homes designed specifically for people with particular needs so it identifies additional features that should be included to address these needs.

An indicative review of the Common Housing Register in 2019 suggests that around 5% of applicants could benefit from some form of specialist provision; and of these 110 applicants included wheelchair accessible accommodation as an option; although only 27 of these applicants did not also select some other form of accommodation, including general needs/ mainstream housing. Around 48% of the applicants requesting wheelchair provision are aged between 20 and 59, and 52% are over 60. In the wider population as a whole, the Health, Care & Housing Needs Assessment (2018) identified the following key points:-

- Around 350 wheelchairs are issued each year to people in Argyll & Bute
- The majority of wheelchairs issued are manual chairs
- Over 1300 people in Argyll and Bute have wheelchairs on issue
- 55% of people with wheelchairs are aged 75+
- Up to 280 people a year may be new wheelchair users
- There could be 240 additional people needing wheelchairs by 2027
- The most common reason for a wheelchair is cerebrovascular disease (stroke) but the main reasons for wheelchair vary by age with Cerebral palsy being the most common reason in people under 25.

Correlating the data sources may suggest that a majority of wheelchair users are satisfactorily housed or do not aspire to social rented properties. However, some wheelchair users who could benefit from suitable, specialist provision in the social rented sector may not apply due to lack of awareness or misperceptions regarding the suitability and availability of stock. This has been identified as a key area for further research and analysis, to be carried out jointly by information officers within the HSCP and the council's strategy team, and co-ordinated by the new Housing OT post.

On that basis, while in situ solutions such as aids and adaptations or support services will have a crucial role to play, nevertheless, the SHIP will continue to require a target of 10% of the new build programme to be built to the fully wheelchair accessible standard or reasonable equivalent, pending the outcome of the comprehensive revision of the Housing Need and Demand Assessment in 2020. RSL partners have accepted this policy in principle, and are also exploring with HSCP partners requirements for extra care provision and replacement models for existing care homes which may no longer be deemed fit for purpose. Where possible, the council will strive to incorporate such needs within the SHIP programme as it rolls forward.

Gypsy/Travellers

Argyll and Bute Council fully supports the Scottish Government's commitment to improve the lives of our Gypsy/Traveller communities; and continues to work in partnership with ACHA (who own and manage the two official, operational, Travelling Person sites in Argyll and Bute) and other stakeholders to drive forward positive improvements for this client group.

The Council continues to allocate ACHA an annual sum of money from the Strategic Housing Fund as a contribution towards the operation and maintenance of the two remaining Travelling Persons Sites at Bayview (formerly Ledaig) near Oban, and Duncholgan near Lochgilphead. A Minute of Agreement set up at the point of stock transfer in 2006 set the sum at £30k plus annual indexation. In 2018, the sum payable was reduced by a third to reflect the withdrawal of the site at Torlochan near Dunoon, which was deemed to be surplus to requirements due to the lack of demand.

As part of the comprehensive refresh of the Housing Need and Demand Assessment for Argyll and Bute, the council is currently undertaking a dedicated piece of work to assess the accommodation and support needs of Gypsy/Travellers in the area. This will include an assessment of any "bricks and mortar" mainstream accommodation that may be required.

In January 2019, the SHIP programme delivered a one-off, bespoke, specialist new build home in the Lorn area, for a Gypsy/Traveller family with particular needs. This is a 4 bedroom detached house built to enhanced specifications with additional fixed equipment. The total cost of the project is estimated to be around £222k and was funded with grants from the Scottish Government and the Council, and ACHA's private finance.

This project involved close partnership working between the council, ACHA, the HSCP/OT and the family themselves who were involved from the early stages to ensure that the new home was purpose-designed to meet their specific needs. This has also consequentially freed up another pitch on the TP site which the family previously occupied, further enhancing provision for local Travellers.



8) ENERGY EFFICIENCY & FUEL POVERTY

Promoting energy efficiency and tackling fuel poverty remain strategic priorities for the LHS and key commitments for the council; and maximizing opportunities for sustainability in development remains a key principle underpinning the SHIP. As with all public bodies, this Council is also required to meet its statutory duties arising from the Climate Change (Scotland) Act 2009, and the LHS and SHIP have been developed to ensure that the provision of new affordable housing complies with the Act.

The Council requires affordable housing developments, as far as possible, to have a low environmental impact and to contribute to the LHS objectives of addressing fuel poverty and to ensure at least minimum standards of sustainability as required under Scottish Building Standards Agency regulations. This remains a key assessment criterion for any project seeking public subsidy from the Scottish Government or the Council.

There are significant challenges in delivering higher quality, energy efficient developments in an authority such as Argyll & Bute - for instance, a significant proportion of the area's rural properties are not connected to the gas grid and many rely on costly oil heating – all of which impact on costs and on the ability to achieve sustainability targets. Nevertheless, local RSL partners continue to embrace sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy, as far as possible within the current financial climate. It is expected that all SHIP partners will continue to follow these principles to the best of their abilities despite the resourcing constraints under which they are currently operating. In particular, all new build RSL stock will be required to address the national Energy Efficiency Standard for Social Housing (EESH). Specific projects in the current SHIP include an innovative PassivHaus scheme at Garelochhead by ACHA, working with developers, Stewart & Shields

***Developers will be encouraged to deliver the “Greener Standard”
as default in all new developments.***

Sustainable Design

The SHIP and LHS are closely aligned with the Local Development Plan processes and the Council and its partners will explore sustainable design principles, not only to addresses climate change and provide energy efficient homes, but also to contribute to the creation of safe, sustainable communities which have a real sense of identity and place. In order to achieve a sense of community in new developments (whilst also delivering low environmental impact housing) we will work with partners to ensure a range of factors are considered; and when developing new areas sustainability principles will also be central to the design process.

9) HOMELESSNESS & RAPID REHOUSING TRANSITION PLANS

Scottish Ministers have made an ongoing commitment to end homelessness in Scotland and consequently set up a national Homelessness and Rough Sleeping Action Group (HARSAG) to bring forward recommendations to address this. A key proposal was that each local authority should develop a Rapid Rehousing Transition Plan (RRTP) by December 2018, covering a 5 year period, or longer if required, to enable the implementation of this new approach. The RRTP maximises prevention and sets out the council's approach to minimise the time a household remains homeless and to ensure that they can access appropriate suitable accommodation as soon as possible.

Local Rapid Rehousing Transition Plans should be reflected in the LHS and also be fully integrated into Health & Social Care Partnership strategic plans. The Argyll and Bute RRTP has consequently been included in the current Housing Contribution Statement to ensure it forms part of the planning framework. In line with the revised SHIP guidance issued in August 2019, this SHIP's strategic housing priorities are aligned and consistent with the proposed RRTP priorities and outcomes. A crucial objective is to facilitate and deliver more affordable housing via the SHIP.

In the report "Scotland's transition to rapid rehousing", produced by the Indigo Group on behalf of the Scottish Government's HARSAG in June 2018, two specific recommendations were made in relation to the SHIP:

- Rapid Rehousing Transition Plans could be seen as an integral part of the SHIPs, and should be annually reviewed as part of the SHIP process
- The Scottish Government and Scottish Housing Regulator should improve data collection from local authorities or housing associations on completions and lettings relative to housing need.

With this in mind, Argyll and Bute Council continues to liaise with RSL partners and other key stakeholders to develop and implement the RRTP; and will aim to ensure that homelessness remains a critical factor in the SHIP process. This includes: homelessness as one criterion for assessing need, prioritising projects, and awarding grants from the Strategic Housing Fund. SHIP projects are expected to contribute directly or indirectly to alleviating homelessness across Argyll and Bute (for example, as a result of direct allocations or via consequential lets to existing properties freed up on transfer of occupants to new build properties). The performance of developing landlords in respect of the proportion of allocations to homeless households and time taken to rehouse these clients will be material considerations in SHIP programming decisions and resource allocation.

This authority has been awarded £95k from the Scottish Government RRTP fund for 2019/20 and work is under way to redraft the local RRTP to maximise the effective use of this resource.

10) UPDATE FROM THE 2018 SHIP

Current Progress: Outputs 2018/19

Building on the 154 units completed in 2016/17, and 75 new homes delivered via the SHIP in 2017/18, there were 107 affordable completions in 2018/19. This brings the three-year cumulative total to 336 which is in line with the current LHS target for at least 330 new affordable homes to be completed by the end of year three of the 5-year planning period.

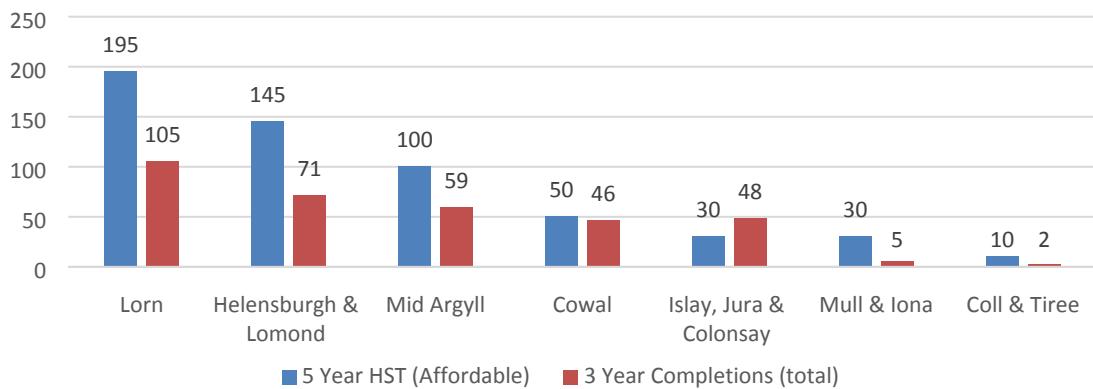
TABLE 1: SHIP New Build Homes by HMA & Project, 2018/19

Housing Market Area	Projects	Completions	% of Total
Helensburgh & Lomond	Castlewood Court, Helensburgh	16	15%
	Succoth	26	24%
Mid Argyll	Lochgilphead Phase 4	16	
	Minard Phase 2	4	19%
Islay, Jura & Colonsay	Bowmore, Islay Phase 3	20	19%
Cowal	Queen's Court, Dunoon	16	15%
Lorn	Albany Street, Oban	8	
	North Connel	1	8%
Total		107	100%

Three of the four local RSLs contributed to the total programme, along with the national Link Group. ACHA delivered 37 of the new builds; Fyne Homes delivered 36; Link provided 8 homes; and Dunbritton completed 26.

Reviewing overall progress at the end of Year 3 of the current 5-Year LHS, the SHIP programme is on schedule to meet the Housing Supply Targets for Argyll and Bute as a whole (with 336 new build homes, i.e. over 61% of the total target with two years remaining to deliver the balance); and also making positive progress at individual HMA level, although there is a need now to progress the planned projects particularly in Dunbeg, Helensburgh & Lomond and some of the islands.

5-Year Housing Supply Targets & 3-Year Cumulative Completions by HMA



11) THE REVISED PROGRAMME

The current year, 2019/20, is covered by a Strategic Local Programme Agreement (SLPA) between the council, the Scottish Government, and the developing RSLs; while this new SHIP will commence from 2020/21. The programme is subject to ongoing change as either barriers to progress or windfall opportunities arise. Consequently, the following tables simply summarise all proposals at the time of writing (September 2019), including those projects which were expected to complete in 2019/20 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, or complete, within the timescale. However there is also scope for additional proposals to be brought forward or included in the programme. **Further details of the programme and individual projects are outlined in the electronic reports recorded on the Scottish Government's Housing and Regeneration Programme (HARP) system.**

TABLE 2: SHIP Projects – expected to complete in 2019/20

Project address	Developer	Units
Castle Wood, Helensburgh	ACHA	16
Connel (Phase 4; incl. 1 whch unit)	ACHA	2
Glenshellach (Phase 11 &12)	ACHA	42
Kilmartin	ACHA	4
North Connel	ACHA	3
Cairnbaan	ACHA	5
Southend	ACHA	1
Tighnabruaich	Fyne Homes	20
Lochdon, Mull	WHHA	14
Barcaldine	WHHA	10
Imereval, Port Ellen (Phase 2)	WHHA	8
Argyll and Bute Total		125

TABLE 3: SHIP Core Programme - Potential Completions by 2021

Project address	Developer	Units	Anticipated Completion ¹
Inveraray (Phase 2)	ACHA	10	2020/21
Keills, Islay	ACHA	4	2020/21
Bowmore (Phase 4)	ACHA	18	2020/21
Garelochhead (PassivHaus model)	ACHA	10	2020/21
Tarbert	ACHA	4	2020/21
18 th Tee, Helensburgh	Dunbritton	16	2020/21
Jeanie Deans site, Helensburgh	Dunbritton	8	2020/21
Cairndow	Fyne Homes	6	2020/21
Dunbeg (Phase 3)	LINK	300	2020/21
Rosneath	LINK	40	2020/21
Jura	WHHA	10	2020/21
Colonsay	WHHA	5	2020/21
Imereval, Port Ellen (Phase 3)	WHHA	4	2020/21
Argyll and Bute Total		435	

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.

If this programme is successfully delivered within the planning period, it could provide up to 560 new affordable homes across Argyll and Bute. Around 32% of these would be in rural mainland, island and/or fragile communities; 53% in the key strategic settlement of Dunbeg; and 15% would be delivered within or around the main towns of Oban and Helensburgh. There is an expectation that the majority of these units will be built to allow for future adaptation to meet changing needs over time; and in addition approximately 10% (around 56 units, if above programme is delivered in full) should be purpose-designed to medium or high dependency standards. However, the council is currently also in discussions with the HSCP to review and explore potential models for the re-provisioning or replacement of existing care homes no longer fit for purpose (with the crucial proviso that SHIP investment is only eligible for accommodation elements of any proposals). This could include “close” cluster specialist accommodation and/or more dispersed cluster units to address the needs of those who might historically have occupied facilities such as Eadar Glinn in Lorn, Ardfenaig in Mid Argyll, and Struan Lodge in Cowal. In principle, the council would be supportive of the inclusion of these projects in the SHIP, in full or in part depending on detailed and realistic proposals coming forward, with a view to delivery early in the new programme if feasible.

In addition to this core programme, a number of other potential proposals are being developed for further consideration in later years of the SHIP, subject to robust assessments of need and demand, site assembly or acquisition, and available funding. Some of these projects therefore remain notional at this stage or are subject to development constraints that require to be addressed/ mitigated before they can proceed. These are noted in the following table (developers and projected units are therefore purely indicative at this stage).

TABLE 4: Additional Potential Projects for consideration in later years

Project address	Developer	Units	Anticipated Completion
Port Ellen (Islay)	ACHA	10	2021/22
Glencruitten, Oban Phase1	ACHA	25	2021/22
Glencruitten, Oban Phase 2	ACHA	25	2022/23
Golf Club Site, Helensburgh	DHA	60	2022/23
Cardross	DHA	25	2024/25
Lochgilphead	Fyne Homes	12	2021/22
Inverary	Fyne Homes	12	2021/22
Ganavan, Oban	Link	50	2021/22
Lonan Drive, Oban	Link	46	2021/22
Dunbeg Phase 4	Link	30	2022/23
Dunbeg Phase 5	Link	60	2023/24
Dunbeg Phase 6	Link	60	2024/25
Helensburgh (Sawmill Site)	Wheatley Group	35	2021/22
Imereval, Islay, Phase 4	WHHA	20	2021/22
Port Charlotte	WHHA	8	2021/22
Port Appin	WHHA	6	2021/22
Tobermory (Phase 3)	WHHA	12	2021/22
Salen	WHHA	8	2022/23
Argyll and Bute Total		504	

Alternative sites are also being considered either to replace or enhance some of the RSL projects listed in above tables, such as council-owned sites and RSL landbanked sites in areas of identified need and demand, including Helensburgh, Lorn, Islay and Mull; as well as possible refurbishment/reconfiguration projects for specialist units in areas otherwise deemed to be low demand, such as Kintyre or Bute. The programme beyond 2021, will be subject to the outcome of the comprehensive revision of the Housing Need and Demand Assessment in 2020.

The council will also continue to actively explore other sites and projects outwith the core SHIP funding programme, as outlined in previous sections of this plan, where these are consistent with LDP policy/housing land provisions and align with high quality, fit-for-purpose assessments of local housing need and demand.

12) MONITORING AND REVIEW

The SHIP will be appraised on an annual basis by the Scottish Government and affordable housing outcomes are monitored regularly by the Council's Housing Management Team; local authority Members via the corporate Pyramid performance management system; the overarching Community Planning Partnership via the LOIP framework; and partners on the Strategic Housing Forum; as well as the boards and committees of the individual SHIP partners. In addition, as appropriate, wider stakeholder involvement will be sought via consultation with local communities, private developers and relevant particular interest groups. All pertinent feedback will help to inform the ongoing development and regular revisions of the SHIP.

The Council has also been exploring potential mechanisms for establishing a wider evaluation framework to capture the broader social return on investment and economic impacts of the SHIP programme, as well as the basic cost effectiveness and value for money of specific projects. Working with RSL partners, the council is keen to implement a formal evaluation procedure which will capture evidence on the wide range of strategic benefits that the SHIP actually delivers, beyond monitoring the basic number of completions.

13) IMPACT ASSESSMENTS

Health Impact Assessment

In addition to the formal LHS Equality Impact Assessment referred to in Section 7, which encompasses this SHIP, the council also carried out a Health Impact Assessment in 2017 for Housing Services, the SHIP and LHS in line with national good practice, and as a further step towards fostering closer linkages between Housing, Health and Social Care. We will continue to monitor the impact of the SHIP and the LHS in terms of equalities and human rights; health inequalities; rural and island disadvantage; child rights, poverty and wellbeing; and in line with the principles of the Fairer Scotland Duty. Any relevant findings from such assessments will be reflected in the SHIP and future updates of the LHS and other associated plans, policies and strategies.

Strategic Environmental Assessment (SEA)

As the "Responsible Authority" under the terms of the Environmental (Scotland) Act 2005, the Council has previously determined that the LHS (and by association its ancillary component, the SHIP) does not require a full SEA. The primary document in relation to land use planning is the Local Development Plan which is subject to a full SEA and which will ultimately cover all housing projects set out in the SHIP. The SHIP is an investment plan which sits underneath the LHS and sets out how the LHS objectives can be delivered. As such it is primarily an operational, working document and it will therefore not change the policy directions set out in the LHS and LDPs.

14) CONCLUSION

The Argyll and Bute Strategic Housing Investment Plan for 2020/21 to 2024/25 sets out an ambitious but realistic programme for the delivery of up to 940 new affordable homes; of which the majority would be built to lifetime standards, allowing for future adaptation to meet changing needs over time; and around 10% will be purpose-designed to higher standards for specialist needs. The programme reflects a strong commitment to the economic growth agenda for Argyll and Bute; and around one quarter of the proposed developments will also directly support the sustainability of fragile rural and island communities.

A number of additional or potential projects have also been identified for consideration in later years and some of these may be brought forward as the programme is reviewed on an annual basis. This level of programming in the early years substantially exceeds the current LHS targets; nevertheless there is still further scope for development particularly in later years, subject to identification of robust need and demand; and the council and its partners are committed to maximizing available resources where possible, and will continue actively to explore opportunities for growth in the programme.

This SHIP clearly and directly aligns with the LHS and LOIP outcomes; sets out a core programme which is feasible to deliver; highlights the contribution of the council, developers and other partners; evidences the support and facilitation role of the local authority; outlines the extensive stakeholder engagement underpinning the planning and delivery of the programme; and explicitly reflects the central importance of equality issues for all partners.

The development of the SHIP is necessarily an ongoing, iterative process and this Plan must be viewed as an interim work in progress. In the current climate it is also important that strategic planning retains a degree of flexibility to allow for adjustments and revision as circumstances continue to evolve. Nevertheless, the Council believes this plan provides clear direction for future priority developments and sets out a robust framework for the delivery of affordable housing across Argyll and Bute.

ARGYLL & BUTE STRATEGIC HOUSING INVESTMENT PLAN

2020/21 – 2024/25

THIS DOCUMENT AND SUPPORTING TABLES
ARE AVAILABLE ON THE COUNCIL WEBSITE AT:

<https://www.argyll-bute.gov.uk/housing/housing-strategies-consultations-and-research-0>

This document can also be made available in other formats on request.

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