

Argyll and Bute Council

Scrutiny Report

June 2021

DRAFT

Strategic Housing Fund

Contents

1. Executive Summary	3
Introduction.....	3
Objectives.....	3
Background.....	3
Scrutiny Initiation Briefing – 22 October 2019	5
2. Scrutiny Meetings.....	6
Scrutiny Meeting One – Council Officers – 12 October 2019	6
Scrutiny Meeting Two – Registered Social Landlords – 04 March 2020	9
Scrutiny Meeting Three – Scottish Government Officers – 8 April 2021	11
3. Overall Conclusion and Findings.....	13

Contact Details

Chair: Sandy Taylor (Vice-Chair of Audit and Scrutiny Committee)

Chief Internal Auditor: Laurence Slavin (laurence.slavin@argyll-bute.gov.uk)

www.argyll-bute.gov.uk

1. Executive Summary

Introduction

1. As part of Argyll and Bute Council's (the Council) 2019/20 scrutiny plan, approved by the Audit & Scrutiny Committee (the Committee) in June 2019, we have undertaken a scrutiny review of the Council's Strategic Housing Fund (SHF).
2. Throughout this report references to 'the Panel' refers to the vice-chair of the Committee and two Committee members who conducted this review. They were:
 - Councillor Taylor (Panel Chair)
 - Councillor Freeman
 - Councillor Vennard
3. The Panel was supported by council officers and relevant external parties who gave willingly of their time to help deliver the review. We would like to extend our appreciation for the cooperation and assistance received from all witnesses invited to provide evidence over the course of the review.

Objectives

4. The agreed objectives of the scrutiny review were to:
 - ensure the housing needs assessment process is robust with appropriate engagement from key stakeholders
 - ensure the SHF is being spent appropriately in compliance with legislation and national guidance
 - ensure the Council is achieving Value for Money (VfM) and that the Council are the lead body when determining what SHF funds should be spent on
 - assess the potential benefit of extending the SHF to community groups.

Background

5. The Council no longer has its own housing since transferring stock to ACHA in 2006. However, as the Strategic Housing Authority, the Council has a number of statutory duties and responsibilities in terms of delivery of, and investment in, affordable housing, and improving housing condition across all housing sectors.
6. All Scottish local authorities are required to prepare a Local Housing Strategy (LHS) every five years, setting out how the Council and its partners will address local need and demand, and contribute to national housing priorities. In developing the strategy the Council must take account of the views of a wide range of partners, stakeholders and local residents. The strategy covers all types and tenures of housing including social rented, private rented and owner occupied accommodation and sets out Argyll & Bute Council's vision for housing over a five year period outlining practical actions with specific targets.
7. The SHF is primarily funded by revenue raised through a decision to reduce the discount awarded to Council Tax on empty and second homes in Argyll and Bute. The SHF is used to support affordable housing provision in the area. In particular it focuses on:

- a Landbanking fund to address the limited supply of effective land for affordable housing development which has been identified as a crucial factor within the LHS. This tackles the issue of land shortage and recycles revenue back into affordable housing as land acquired will either be sold on to registered social landlords (RSLs) and/or private developers, or developed for re-sale.
- an Empty Homes Strategy to bring empty properties in the area back into use
- promoting additional investment in infrastructure capacity where further development of affordable housing is otherwise constrained.

8. The following items of expenditure are deemed appropriate for SHF funds:

- expenditure incurred in relation to assets formally held on the Housing Revenue Account
- expenditure relating to the acquisition of land for the landbank
- expenditure related to the purchase of homes under the empty homes initiative
- payments to enhance infrastructure where this is restricting the development of affordable housing
- payments to RSLs to partially fund proposed projects to deliver houses in accordance with the LHS.

9. In 2016 the Council was set a target to deliver 550 affordable homes by 2021 as part of a Scottish Government (SG) Scotland wide target to deliver 50,000 affordable homes between 2016 and 2021 including 35,000 for social rent. The SG has allocated £51.6m in Resource Planning Assumption to Argyll and Bute to deliver affordable housing until 2021. The SHF will be required to contribute £9.8m over the same period. There is an action included in the Development Policy & Housing Team scorecard relating to the “number of new affordable homes completed per annum”. The targets and actual performance were as follows:

Year	Target Build	Actual Build
2016-17	110	154
2017-18	110	75
2018-19	110	107
2019-20	110	84
2020-21	110	48
Total	550	468

10. The actual build was ahead of target in the first three of the five year period but due to COVID and associated delays, building work was affected in the latter two years. A large number of completions were achieved soon after the end of the five year period, it is considered that the target would have been met had it not been for the impact of COVID.
11. In February 2019, the Council agreed to extend the £12k per unit to community organisations who satisfy the requisite funding criteria and secure Rural Housing Fund and/or Islands Housing Fund Grant from the Scottish Government to deliver affordable housing.
12. The Council’s Strategic Housing Investment Plan (SHIP) 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.
13. The SHF aligns to business outcome “We Enable a Choice Of Suitable Housing Options”. This makes a major contribution towards the Council’s mission statement of “Making Argyll and Bute

a place people choose to Live, Learn, Work and do Business” and the Council priority “to ensure we have homes for all”.

14. Risk 12 in the EDI operational risk register relates to the failure to meet expectations in new housing targets. This also aligns to red risk SRR01 – the impact on the Council of population and economic decline.
15. The SHF was chosen for inclusion in our scrutiny priorities for 2019/20 as a review had been approved by Community Services Committee in December 2018 and it was agreed to continue existing funding for RSLs but extend it to community organisations in certain areas, thus reducing the risk of not providing affordable homes in areas that RSL’s do not wish to develop. There was also a question over whether there is a more effective way to distribute funds currently set at a rate of £12k per housing unit regardless of location.

Scrutiny Initiation Briefing – 22 October 2019

16. In October 2019 scrutiny officers circulated a briefing to the Panel which provided background on the SHF. The Panel then met to agree the scope and identify invitees to give evidence at a series of meetings.
17. The agreed scope was to consider whether use of the SHF:
 - complies with relevant legislation and guidance
 - is properly informed by the LHS, Housing Needs and Demand Assessment (HNDA) and the SHIP
 - is focused on delivering value for money and on areas of identified need and priority.
18. The Panel agreed that they should meet with appropriate representatives of the groups set out in Exhibit 1.

Exhibit 1 – Scrutiny Meetings

Group	Key Areas for Discussion
Council Officer(s)	<ul style="list-style-type: none"> • How the HNDA is formulated and what consultations are undertaken and does this adequately embrace and capture all the needs of the local population. • The extent the Council influences, pre-empts or steers use of the SHF. • Review of the SHF.
Registered Social Landlords	<ul style="list-style-type: none"> • Engagement between the Council and RSLs in relation to areas such as the Strategic Housing Forum, LHS, and the HNDA. • The extent RSLs influence the projects where a funding contribution is provided from the SHF. • The extent the Housing Strategy supports the Council’s vision “Our economy is built on a growing population” where we are working together to attract people to live and work in Argyll and Bute .
Scottish Government Officers	<ul style="list-style-type: none"> • Management of equivalent funds at other councils. • Initiatives implemented at other councils to reinstate Empty Homes. • How well the Council performs in terms of good practice. • Scottish Government’s vision for 2040.

2. Scrutiny Meetings

Scrutiny Meeting One – Council Officers – 12 October 2019

19. The first scrutiny meeting consisted of the Council’s Head of Economic Development, who has overall responsibility for the Strategic Housing Fund, The Development Policy and Housing Strategy Manager and the Team Lead – Housing Strategy. The key messages reflecting the views of the Council officers who attended, from this meeting are set out in Exhibit 2.

Exhibit 2 – Scrutiny Meeting 1 – Council Officers - Key Messages

Theme	Detail
How the HNDA is formulated and what consultations are undertaken and does this adequately embrace and capture all the needs of the local population.	<p>The HNDA is carried out every five years and agreed between the SG and the Council. It estimates the number of additional housing units required to meet existing and future needs and demand by completion of a spreadsheet template provided by the SG and use of national statistics provided by the SG. The Council also utilise external consultants to carry out a household survey across all administrative areas which provides more information from the community. The survey information is used in addition to national data to provide a more accurate HNDA. This is an additional source of information that not all councils choose to seek. It provides information on areas such as resident satisfaction, requirements for larger houses, aspirations for property ownership, overcrowding, under, occupancy, disability requirements etc.</p> <p>The information from the HNDA flows into the housing strategy and the local development plan to set housing supply targets. This can come out as zero because the population is declining but projections are used to tie into the general vision of the Council in terms of growing the economy.</p> <p>In addition to the HNDA, the Council looks at affordability, demographics, economic trends across Scotland and the common housing waiting list used by Housing Associations. The Council also uses pressure ratios where focus is placed on applicant’s first choice of area to determine where to target housing.</p> <p>The HNDA is just one element of the LHS, other factors such as land, infrastructure and growth strategy are also considered following consultation with the public and members.</p> <p>The Strategic Housing Forum (The Forum) engage in dialogue with planning, housing and the private sector to consider different layers of needs and issues such as key worker housing and unrecorded need. SG don’t allow for speculative building, there has to be proven need and demand and therefore RSLs won’t take the risk of building if need is not evident.</p> <p>The rural growth deal analysis found that people are reluctant to move to Argyll and Bute as there is a lack of affordable housing and there is a perception that social rented housing is not what is wanted.</p>

<p>The extent the Council influences, pre-empts or steers use of the SHF</p>	<p>The SHIP is agreed between the Council, SG and other partners. RSLs submit projects to the SHIP but only so many are taken forward through a prioritisation process aligned to the HNDA. Once a project is included within the SHIP and primary funding is approved by SG, the RSL can submit a formal application to the SHF for further funding.</p> <p>The Council receives around £2 million per annum from second homes and currently provides £12k per housing unit however, RSLs can apply for additional funding where additional challenges have to be addressed to allow the project to complete. This is subject to Economic Development and Infrastructure Committee approval.</p> <p>There does not appear to be a similar fund in other Councils possibly because they do not have the same level of second homes or they have their own housing stock and funds generated are placed directly into capital projects to deliver affordable housing. The Fund appears to be quite unique to the Council.</p> <p>The Council does not currently ask developers to provide a spend profile for projects. The application form is to be altered to determine when developers require payments to be made as this will allow for better fund management and facilitate better cash flow management.</p> <p>The Council employs an empty homes officer who is fully funded through the SHF. The officer was recognised as the empty homes champion for 2018-19 by the National Empty Homes Partnership and was presented an award by the SG housing minister. Grants and loans are available to owners through the SHF to provide principal home or accommodation to let. 482 empty homes have been brought back into use since 2013 which is excellent value for money when compared to the capital cost of building that many homes.</p> <p>The SHF fully funds six members of staff and 30% of a seventh in relation to the delivery of affordable housing and facilitation of the SHF, these are:</p> <ul style="list-style-type: none"> • Housing Operations Manager (30%) • Housing Strategy Manager • Research and Development Officer • Housing Officer – Empty Homes • Housing Systems Co-ordinator • Housing Improvement Officer • Research Assistant
--	---

SHF Income and Expenditure 2020-21					
Income		£	£		
Opening Balance					7,499,429
Usable Capital Receipts Reserve					2,872,036
Income in Year					2,256,253
Expenditure					
Payments to RSLs/Trusts			-2,207,041		
Witchburn Road Demolition					
Furnace Coastal Protection					
SHQS Upgrades					
Empty Homes Grants			-1,428		
ABC Strategic Housing Staff			-421,013		
Outstanding Commitments			-3,118,465		-5,747,947
Uncommitted Closing Balance					6,879,771
<p>In addition to the above income and expenditure, loans have been advanced to RSLs in line with the approach agreed in 2013, the value outstanding as at 31 March 2021 is £3.502 million.</p>					
RSL	Scheme Name	Amount £m	Rate of interest %	Repayment Period (years)	Amount o/s 31/3/20 £m
FYNE	6000 - Rothesay Court House	1.9	1.93	9	0.076
ACHA	6005 - Glenshellach	2.305	4.45	25	1.891
ACHA	6010 - Bonawe	0.123	4.43	25	0.103
ACHA	6015 - Hood Court	0.603	4.43	25	0.508
FYNE	6020 - St Cuthberts	0.201	3.14	25	0
WHHA	6025 - Imeraval	0.955	2.85	25	0.866
The Port Ellen Station	6030- Port Ellen Police Station	0.08	2.12	10	0.058
TOTAL		6.167			3.502
Review of the SHF	<p>The last review of the SHF took place in November 2018 and will be reviewed again in the current financial year. It is considered within the Council that the £12k per unit award as a standard amount regardless of where the property is being built should be reviewed. Grant awards have also been extended to community development trusts as long as the £84k equivalent of SG funding is provided from the Rural Housing Fund. It was agreed at the time of the 2018</p>				

	<p>review to maintain the level of the grant to aid delivery of the 550 target number of properties by 2021 and perform a review of the SHF after that.</p> <p>RSLs are concerned that if they no longer receive the grant this would require higher borrowing and, consequently, increased rents charged to tenants. The scope of the review is to see what developments have been delivered and whether these could have been delivered without a SHF contribution.</p> <p>SG has set a vision for Housing to 2040 and the SHF needs to tie in with national priorities.</p>
--	--

Scrutiny Meeting Two – Registered Social Landlords – 04 March 2020

20. The second scrutiny meeting consisted of representative from five RSLs that operate in Argyll and Bute. These are Argyll Community Housing Association (ACHA), West Highland Housing Association (WHHA), Fyne Homes Ltd, Dunbritton Housing Association Ltd and Link Housing Association Ltd. The key messages from this meeting, reflecting the views of the RSL representatives who attended, are set out in Exhibit 3.

Exhibit 3 – Scrutiny Meeting 2 – Registered Social Landlords - Key Messages

Theme	Detail
Engagement between the Council and RSLs in relation to areas such as the SHF, LHS, and HNDA	<p>The Forum plays a key role in engagement between the RSLs and the Council. A number of detailed reports are presented to the Forum and everyone has the opportunity to provide input and debate how the HNDA information is pulled together before it is agreed. The Forum provides a good opportunity at strategic level to enable open dialogue and welcome involvement from the other outside agencies coming on board e.g. Allenergy, HIE and Scottish Water. There are a variety of forums that can be attended, and whilst there is joined up working in place between RSLs and the Council, there is always room for improvement.</p> <p>Existing meeting structures are very inclusive and strong working relationships exist between RSLs and the Council. The SHIP group consisting of representatives from the SG, RSLs, Planning Service and the Health and Social Care Partnership (HSCP) feeds into the Forum a fortnight before the meeting which creates an understanding of what is going on.</p> <p>Developers and RSLs are trying to deliver the strategic priorities of the Council. Whilst the RSL representatives felt the strategic aim of the Council and high level plans are clear they felt sometimes services within the Council may have different priorities resulting in difficulty agreeing issues with developments. For example there is always going to be conflict between Roads, Planners and what RSLs may want to do due to legislative requirements. The biggest hurdle is roads construction consent. The impact of this is that the resources allocated to the Council from the Scottish Government’s Resource Planning Assumption in the year may not be spent because projects take longer to deliver. If this is the case the funds are lost to Argyll and Bute.</p> <p>Another Council holds meetings with all officers dealing with a project together on the same day, including Building Standards, Planning and</p>

	<p>Roads. This provides early dialogue to identify potential issues and can repeat throughout the course of the project at various key stages. The Council does something similar in terms of the forum but not at operational level. Operational meetings were held in relation to a project in Dunbeg and although these were time consuming they were effective and a similar approach might be beneficial for other housing projects.</p> <p>The Council has design guides in place but these are for private developers rather than RSLs and that degree of flexibility is better for RSLs. Parties will engage in discussions regarding any specialist types of accommodation as required.</p> <p>The RSL representatives confirmed they have a very good working relationship with the Council and they are content that they have ample opportunity to input to the various documents (SHIP, HNDA etc) and can put forward any consideration for change at the Forum. They also stated that whilst the Council's housing planning guidance sets a tone and expectations the Council is not as prescriptive as other councils due to there being some very rural areas as well as some urban areas and therefore it would difficult to have a one size fits all approach.</p>
<p>The extent RSLs influence the projects where a funding contribution is provided from the SHF</p>	<p>The SHIP is flexible enough to accommodate various local needs. There is a particular need for specialist sound proofing for people with Autism and extra Care Housing that allows people to stay in their houses longer. An issue can arise if tenants without a need remain in accommodation following transfer to residential care or death of partner who did have need.</p> <p>The RSL representatives said they have tried to engage with HSCP regarding specific social care requirements in developments but feel there is limited communication or HSCP representation at the Forum.</p> <p>10% of stock is built to an exemplar standard including wider doors to accommodate wheelchairs but there are additional costs involved. To a degree, RSLs build houses that can be easily adapted, the issue is that when specific housing needs and adaptations are addressed, fewer units can be delivered within the allocated resources. Smaller housing units are more viable for this as it reduces chance of under-occupancy or excessive heating charges.</p> <p>RSLs have a responsibility to prepare a project and they can enter that project on the basis of a £12k contribution per unit. It is important in terms of business planning but sometimes infrastructure costs only become known to RSLs after they commit to a development. RSLs also borrow money to fund a development. The rent for each development is based on the actual cost so the less money contributed by the Council the higher the rent would be for the tenant.</p> <p>The £12k contribution from the SHF is essential to RSLs, any reduction would have a negative impact on the delivery of social housing across the area. In addition to this flat-rate contribution, RSLs would like clear</p>

	<p>guidance to refer to when there is a justified need to apply for additional funding for particularly challenging development sites. A number of criteria could be set where increased costs are expected and provide an opportunity to apply for additional funding e.g. increased costs of delivery to remote and island communities, infrastructure costs etc</p> <p>RSLs are not involved in bringing derelict empty homes back into use as these tend to be private houses. RSLs would be interested to know if they can access funds for property amalgamations. The SHF states that payments may be used for RSLs to partially fund projects to deliver houses according to the LHS, there is no restriction on how that is delivered, so it could possibly facilitate the purchase of empty private flats for regeneration.</p>
<p>The extent the Housing Strategy supports the Council's vision "Our economy is built on a growing population" where we are working together to attract people to live and work in Argyll and Bute</p>	<p>The current allocation policy does not give priority to people who are economically active or newly forming households however a local letting initiative is now in place in the Dunbeg area to give priority to up to 30% of the allocation to ensure ability to house people coming to work in the area.</p> <p>Building is not speculative but must support the HNDA including projected need. RSLs are confident the market is sustainable, in some areas, an overall target approach to encourage growth is needed and then an overall needs assessment. Local development plans identify land for development, RSLs and other developers have the opportunity to submit sites for inclusion, the next is due to be prepared for August 2021. Land banking can be an issue with some long-standing planning consents having never been taken up. Consideration should be given to removing these.</p>

Scrutiny Meeting Three – Scottish Government Officers – 8 April 2021

21. The third scrutiny meeting consisted of two officers from the SG's More Homes service, who work to increase the number of homes across Scotland so that everyone has a good quality home that they can afford and that meets their needs. They have good knowledge of the Argyll and Bute area and attend the Strategic Housing Forum meetings. The key messages, reflecting the views of the SG representatives who attended, are set out in exhibit 4.

Exhibit 4 – Scrutiny Meeting 3 – Scottish Government Officers - Key Messages

Theme	Detail
Management of equivalent funds at other Councils	<p>SG officers were able to provide an impression but not the entire picture as their remit covers seven local authorities in the West of Scotland. There are, however, examples across the country of councils using these monies to support affordable housing but they do it in different ways as one size does not fit all.</p> <p>In the council areas that the officers work with, the use of the income is highlighted in the SHIP. The greatest amount of money generated from these councils is Argyll and Bute. A lot of thought has been put into the</p>

	<p>SHF by Argyll and Bute to offer support and that is seen to be fair and clearly linked to delivery of the strategic housing objectives.</p> <p>Over the last 11-12 years, the Council has developed innovative ways of using the SHF to support the delivery of affordable housing, e.g. in the provision of loans and importantly, the Council was able to increase funding to compensate when SG temporarily reduced their subsidy level to RSLs. Other councils are using the monies to support the delivery of affordable housing but it is perhaps not in such a structured or managed way as has evolved in Argyll and Bute.</p> <p>The partners who are involved in delivering the Council's strategic housing objectives (principally the Housing Associations) are familiar with the rules and principals that the fund operates and it is openly discussed through the Strategic Housing Forum. It is a very open process and a good example of strong collaborative partnership working.</p>
<p>Initiatives implemented at other councils to reinstate Empty Homes</p>	<p>It is the Council's responsibility to determine the use of the SHF in line with guidance and ensure value for money is achieved. Work is taking place in other council areas to bring empty homes back into use although the scale of the problem is probably greater in Argyll and Bute than elsewhere. The Council has a lot of experience and good work has already taken place and this has been awarded recognition. The approach to empty homes is likely to evolve over time, the earlier properties were easier to deal with and the more challenging properties will be addressed over time.</p>
<p>How well does the Council perform in terms of good practice</p>	<p>The SG officers are not aware of any good practice that we could adopt from other councils but encourage dialogue with other councils to see what they are doing. They would advise officers from other councils to contact Argyll and Bute if they were looking for examples of good practice. The Council adapts to circumstances as they change and address any cost differentials that arise to ensure contributions are enough to ensure projects are delivered. The Council has also opened up funding to Community Development Trusts in rural areas and provide a huge benefit to those communities.</p> <p>Early engagement to support communities and businesses is key to growing the economy, there is a concern that with the absence of housing, young people will move away and businesses won't develop if there is no workforce.</p> <p>There is a mutual trust between the SG and the Council due to the strong ethos of partnership and collaborative working. The Council takes the lead in pushing for improvements in collaboration and partnership working and all parties involved are keen to play their part. That level of good partnership working and trust does not happen to the same extent everywhere.</p> <p>Low cost housing can be addressed through the Affordable Housing Investment Programme and the SG can award grant funding for shared</p>

	<p>equity housing as part of the core funding. The SG and RSLs are there to help deliver on strategic objectives, over recent years the focus has been on delivery of social rented accommodation but as strategic objectives evolve through linkages with other strategies in terms of tackling population, demographic issues and economic regeneration, there is recognition that there may be a need to offer tenure choice.</p> <p>Partnership Support for Regeneration (previously called Grow Grant) has not been used by the Council for many years. This is a deficit fund that bridges the gap between the cost of building a house and the sale price and is particularly important in remote rural areas where housing is a real issue.</p>
Scottish Government's vision for 2040	<p>The consultation for the Housing to 2040 is completed and the document is now available on the SG website. This involved talking to Strategic Housing Forums across the country and discussing the main issues and routes to engage with people. There is a target to provide 100,000 homes across Scotland over a ten year period with a principal objective of 70% earmarked for social rental and the remainder being other tenures. There is a focus on making better use of stock we already have. It sets the framework for housing policy for the next 20 years and will inform investment funding positions going forward.</p>

3. Overall Conclusion and Findings

22. Based on the information obtained over the course of the review the Panel has concluded that:
- the HNSA process is robust with appropriate engagement from key stakeholders
 - the SHF is being spent appropriately in compliance with legislation and national guidance and is having a positive impact on the delivery of housing projects across Argyll and Bute
 - the Council is achieving value for money from the SHF with strong partnership working in place with RSLs and the Scottish Government
 - there is benefit in extending the SHF to community groups however this requires proper due diligence to safeguard against the enhance risk of projects not being delivered.
23. The review has identified six findings which have been discussed with management. These, and the management responses, are detailed in Exhibit 5.

Exhibit 5 – Findings

No.	Finding	Management Response
1	RSL's would like clear guidance setting out when it may be possible to access in excess of £12k per unit from the SHF for particularly challenging development sites (i.e. increased costs of delivery to remote and island communities, higher than normal infrastructure costs etc).	This can be clarified in a review and update of policy and procedures in 2021-2022. The SHF application form and assessment templates will be updated to provide clearer guidance or a second application form for additional funding may be created. A general statement to this effect can also be incorporated in the next formal SHIP submission.

No.	Finding	Management Response
2	To aid progress on housing developments there would be benefit in establishing periodic meetings with representation from all relevant stakeholders including RSL's and officers from Building Standards, Planning, Roads and the HSCP. This will help identify and resolve potential issues at the outset of a project and throughout its lifecycle which will reduce the risk of losing RPA funding through project delay.	The SHIP Operational Group serves this purpose. If an RSL raises a Roads, Planning, Building Standards, Scottish Water issue we speak with the relevant agency to try and resolve the issue. If there is a particular pattern of concern we would invite the relevant department/organisation. There is a standing agenda item – 'RSL Project Updates/Programme Status' which gives the RSL's the opportunity to raise issues. We will engage with RSLs to identify why they feel this is still an area of concern.
3	There is a need to review the HSCP representation at the Strategic Housing Forum to ensure that those attending have authority and can provide information to allow longer term planning to address needs.	The HSCP Head of Strategic Planning and Performance attends the Forum and other HSCP delegates have also been involved in recent years and it is anticipated that a Social Work delegate will also attend in future. The HSCP is also involved in the SHIP Group, particularly via the dedicated Housing Occupational Therapist (OT) post which provides the clear and appropriate conduit between Housing and HSCP for specific projects and specific needs. The OT representation on the Forum will help ensure local level needs are fed into the SHIP process.
4	Local development plans identify land for development and land banking can be an issue with some long-standing planning consents not taken up. This should be considered as part of the LDP2 which is scheduled to be adopted in 2022.	<p>The LDP2 which is currently up for adoption in 2022 has already identified its land supply and undergone its statutory process of consultation.</p> <p>The LDP process addresses this through the call for sites process which challenges landowners/developers that their site is deliverable. It is therefore too late now to make changes to it.</p> <p>LDP3 can consider this issue but we are not able to remove planning consents unless they expire. Removal will allow other sites to be brought on board, however, there is a more than adequate housing land supply identified and the recent rates of delivery by the RSLs would indicate they are able to access sufficient land.</p>

No.	Finding	Management Response
5	<p>The Scottish Government are supportive of the Council's extension of the SHF to Community Groups however it is important that any such awards properly consider the higher risk of projects not being delivered and that Community Groups are not regulated in the way RSLs are.</p>	<p>We will only approve awards which have passed the Scottish Government risk assessment process and have been awarded Rural and Islands Housing Fund. It is important that Community Groups should be subject to scrutiny at least as rigorous as RSLs via the SHF assessment process. The council is required to ensure due diligence in assessing the suitable governance, sustainability and financial security/prudence of the applicant organisation before making an award. Full risk assessments are required for each project and appropriate safeguards should be included in the terms & conditions of grant awards.</p>
6	<p>Partnership Support for Regeneration Grant (PSRG) has not been used by the Council for many years. This is a deficit fund that bridges the gap between the cost of building a house and the sale price and is particularly important in remote rural areas where housing is a real issue.</p>	<p>According to Scottish Government, the grant was not intended for rural areas. We have explored with them over the last 12 months how to develop a model which can help us to deliver housing for key workers. However restrictions of the model are making it difficult to find a suitable site, and difficult to provide the type of product and tenure we feel is missing. The SHF and Rural Housing Fund offer much more simple potential solutions and our intention is to pursue those. PSRG could remain one possible mechanism within the funding framework that can be considered as required; albeit in the current context of A&B, it may be that the Rural Growth Deal presents a more appropriate, immediate and potentially more effective tool within the direct control of the council.</p>