

**HOUSING EMERGENCY – HOUSING NEED AND DEMAND AND SUPPORTING
COMMUNITY HOUSING FEASIBILITY WORK**

1.0 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to propose three important requests from the Strategic Housing Fund, which will all contribute to tackling the Housing Emergency.
- 1.2 The Council as the Strategic Housing Authority is required to produce a Housing Need and Demand Assessment (HNDA) every 5 years. It is vitally important to support the development of the Local Housing Strategy, Strategic Housing Investment Plan and the Local Development Plan. It must be agreed by Scottish Government. Officers are currently beginning this process and funding is requested from the Strategic Housing Fund (SHF) to help deliver this.
- 1.3 In addition to Registered Social Landlord (RSL) Community Trusts play a key role in the delivery of affordable houses. The Council's Housing Emergency Action Plan has an action to 'create funding mechanisms for Community Housing Trusts to finance feasibility studies, professional fees and approval processes. Discretionary funding of up to £10,000 per unit, is requested from the SHF to enable Community Trusts to carry out feasibility work in order to bring affordable housing developments to delivery stage.
- 1.4 Funding up to £150,000 from the SHF is requested to support feasibility studies which will help to unlock delivery of housing allocation (H4009), known as the Old Hospital Site, Ganavan. This site is a key housing site given the shortage of immediately deliverable housing land in the Oban Area potentially delivering 40-60 units.

RECOMMENDATIONS

It is recommended that Council :-

- i) Approve £60,000 from the Strategic Housing Fund to enable the delivery of the Housing Need and Demand Assessment – a statutory obligation of the local authority.
- ii) Delegate to the Executive Director with Responsibility for Development and Economic Growth in consultation with the relevant Policy Lead for

Housing the power to approve discretionary feasibility funding up to a maximum of £10,000 per unit from the Strategic Housing Fund to enable Community Trusts to bring potential affordable housing developments to delivery stage.

- iii) Approve feasibility and design funding from the Strategic Housing Fund to a maximum of £150,000 for West Highland Housing Association to enable delivery of road and footpath proposals unlocking LDP2 housing site H4009 at Ganavan.

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2.0 INTRODUCTION

- 2.1 The Strategic Housing Fund (SHF) is the budget which will be used to fund both proposals contained in this paper. The SHF is a housing budget ring fenced for activities relating to affordable housing delivery in Argyll and Bute. The SHF is made up of the income received when the Council reduced discounts on long term empty and second homes from 50% to 10% in 2004.
- 2.2 The paper sets out the details of three requests for funding from the Strategic Housing Fund, all of which are considered important contributions to tackling the Housing Emergency.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Council :-
- i) Approve £60,000 from the Strategic Housing Fund to enable the delivery of the Housing Need and Demand Assessment – a statutory obligation of the local authority.
 - ii) Delegate to the Executive Director with Responsibility for Development and Economic Growth in consultation with the relevant Policy Lead for Housing the power to approve discretionary feasibility funding up to a maximum of £10,000 per unit from the Strategic Housing Fund to enable Community Trusts to bring potential affordable housing developments to delivery stage.
 - iii) Approve feasibility and design funding from the Strategic Housing Fund to a maximum of £150,000 for West Highland Housing Association to enable delivery of road and footpath proposals unlocking LDP2 housing site H4009 at Ganavan.

4.0 DETAIL

COUNCIL HOUSING NEED AND DEMAND PROCESS

- 4.1 Section 89 of the Housing (Scotland) Act 2001 requires the local authority to produce a Local Housing Strategy which details the needs of households for accommodation and the demand for and availability of accommodation.
- 4.2 The Housing Need and Demand Assessment (HNDA) process provides the evidence base upon which housing supply targets are defined in local housing strategies and suitable available land is allocated through development plans to meet these targets. A regular, five-yearly review of the assessment linked to the review of the local housing strategy is required.
- 4.3 From a housing and planning policy perspective, local authorities should ensure that assessments are robust and credible.
- 4.4 The most recent Scottish Government guidance describes housing need and demand assessments as:-
- enabling local authorities to develop long-term strategic views of housing need and demand to inform local housing strategies and development plans.
 - providing robust evidence to inform policies aimed at providing the right mix of housing across the whole housing market - both market and affordable housing.
 - providing evidence to inform policies about the level of affordable housing required, including the need for different types and sizes of affordable housing.
 - supporting local authorities to develop a strategic approach to housing through consideration of housing need and demand in all housing sectors – owner occupied, private rented and affordable.
 - drawing together the bulk of the evidence required for local authorities to appraise strategic housing options including housing supply targets, social housing allocation priorities and the role of intermediate housing products.
- 4.5 Statistically robust and validated national datasets will be used to build the housing need and demand assessment wherever practical, however, given the dispersed geographical nature of this local authority, it is necessary to enhance the evidence base with local data. A detailed Housing Need and Demand Household Survey for the nine Housing Market Areas (HMAs) within Argyll and Bute is required as the foundation of the HNDA process. The survey requires to be completed by around 3000 households across the local authority area for the process to be accepted as robust and credible by Scottish Government.
- 4.6 The Council's Housing Service will produce the many technical papers which comprise the HNDA along with the final HNDA document. However, a

specialist research company is required to co-ordinate, carry out and assess the findings of the household survey element of the HNDA. As a result this paper requests approval to utilise £60,000 of the Strategic Housing Fund to enable the household survey to be carried out within the HNDA process which is a statutory housing function of the local authority.

COMMUNITY HOUSING FEASIBILITY FUNDING PROCESS

- 4.7 The Argyll and Bute Housing Emergency Action Plan contains an action to **'create funding mechanisms for Community Housing Trusts to finance feasibility studies, professional fees and approval process'**.
- 4.8 This action recognises that an innovative and flexible approach is required to assist Community Trusts to be able to undertake all the activities required to take a housing proposal to delivery stage. The required activities include:-
- Land valuation
 - Architectural Services
 - Housing Need Assessment/Community Consultation
 - Topographical Survey
 - Ground Investigation
 - Flood Risk Assessment
 - Ecology Report
 - Quantity Surveyor
 - Pre Planning Application
- 4.9 It is of vital importance that Community Trusts seeking to deliver affordable housing must have evidence that their community is supportive of their activities and that the Community Trust is registered with the Office of Scottish Charity Regulator or Companies House. The Council recognises the importance of community housing delivery in the local authority area to meet assessed housing need. The Strategic Housing Fund already contributes £12,000 per affordable housing unit delivered by Community Trusts through projects supported by the Scottish Land Fund (SLF) and Rural and Island Housing Fund (RIHF) process. The feasibility funding proposed in this paper is over and above that amount.
- 4.10 Scottish Land Fund (SLF) feasibility funding is available if the Community Trust is looking to purchase land to deliver housing. Rural and Islands Housing Fund (RIHF) feasibility funding is also available. It is recognised that the total funding of £30,000 across the 2 feasibility funds may not be enough for Community Trusts to take a housing proposal to delivery stage
- 4.11 It is proposed that before a Community Trust applies to the Council SHF for feasibility funding they must:-
- provide evidence that they made successful applications to all relevant feasibility funds available e.g the RIHF and the SLF.

- demonstrate that they have applied to other potential funding sources such as Highland and Islands Enterprise (HIE) and any community funds available to the Trust.
 - demonstrate that they have committed a reasonable amount of their own funds as a contribution to the project.
- 4.12 It is proposed that the Executive Director with Responsibility for Development and Economic Growth, in consultation with the relevant Policy Lead for Housing, will have delegated power to approve discretionary feasibility funding up to a maximum of £10,000 per unit and capped at £100,000 per development site, from the Strategic Housing Fund to enable Community Trusts to bring potential affordable housing developments to delivery stage.

GANAVAN ROAD FOOTPATH IMPROVEMENT FEASIBILITY STUDIES

- 4.13 West Highland Housing Association owns land which is a housing allocation (H4009), known as the Old Hospital Site, Ganavan. This site is a key housing site given the shortage of immediately deliverable housing land in the Oban Area. The site can deliver between 40-60 units which will be vital housing supply during the housing emergency – see **Appendix 1**.
- 4.14 Although the site has been owned by the Association for several years, development has been delayed due to the need for pedestrian footpath improvements along the Oban to Ganavan Road before any housing construction can begin. This is particularly challenging around "pinch points," where there is no footpath due to the proximity of the shoreline on one side and a rock face on the other and the land is in third party ownership.
- 4.15 Scottish Government More Homes Division have identified the necessary footpath improvements as ones which can be potentially funded by the Housing Infrastructure Fund and this is identified in the Council's Strategic Housing Investment Fund.
- 4.16 WHHA has now negotiated servitude rights with the landowner to facilitate the delivery of the required pedestrian footpath improvements.
- 4.17 The next stage is for WHHA in consultation with the Council Roads Officers, to carry out engineering feasibility, further traffic assessment, survey and ground investigation, agreement of a pedestrian access solution in consultation with the Council's Roads Officers, and then detailed design of an adoptable solution suitable for tender drawings, specification and contractor pricing.
- 4.18 Currently there is no funding in place to take this work forward, and given its importance in delivering housing supply, it is proposed that the Strategic Housing Fund be utilised to take forward the feasibility works up to a maximum of £150,000.

5.0 CONCLUSION

- 5.1 This paper provides detail on 3 key work strands which are essential to tackling the Housing Emergency in Argyll and Bute.
- 5.2 The Housing Need and Demand process underpins the Council's approach to tackling the Housing Emergency by producing a robust and credible evidence base which will ensure that Scottish Government capital investment is secured for the Argyll and Bute area through the Affordable Housing Supply Programme (AHSP).
- 5.3 The proposal to enable Community Trusts to apply for feasibility funding through the Strategic Housing Fund will address an action within the Housing Emergency Action Plan and provide the opportunity for more affordable homes to be delivered in Argyll and Bute.
- 5.4 Funding feasibility studies will help to unlock delivery of housing allocation (H4009), known as the Old Hospital Site, Ganavan. This site is a key housing site given the shortage of immediately deliverable housing land in the Oban Area potentially delivering 40-60 units.

6.0 IMPLICATIONS

- 6.1 Policy – if the proposals are approved it will result in Community Trusts being able to apply for discretionary housing feasibility funding to the Strategic Housing Fund. (This is over and above the standard £12k per delivered unit already provided by the Strategic Housing Fund). It will also enable the Council to fulfil a statutory housing obligation in terms of producing a housing need and demand assessment.
- 6.2 Financial – if the proposals are approved they will be funded through the Strategic Housing Fund.
- 6.3 Legal – the Council will be in breach of statutory obligations if a housing need and demand assessment is not produced.
- 6.4 HR – none.
- 6.5 Fairer Scotland Duty:-
 - 6.5.1 Equalities - protected characteristics - The proposals are consistent with aims and objectives set out in the local housing strategy, which is subject to an EqSEIA.
 - 6.5.2 Socio-economic Duty - the delivery of housing across Argyll and Bute facilitates socio-economic opportunities for all.
 - 6.5.3 Islands - many of the housing projects delivered by Community Trusts are on islands which will provide many benefits such as employment and the continued delivery of essential services to island communities.

- 6.6 Climate Change - new housing in the right location helps reduce carbon outputs when delivered using renewable energy and other measures. Making best use of existing stock by delivering energy efficiency measures helps towards achieving climate change targets.
- 6.7 Risk - there is a risk of depopulation, damage to the economy a risk to delivering essential services in the local authority area if partners cannot effectively tackle the Housing Emergency.
- 6.8 Customer Service – none.
- 6.9 The Rights of the Child (UNCRC) - the delivery of more housing will enable more children to have a safe secure environment. The housing need and demand assessment process will also have clear links to the Child Poverty Strategy.

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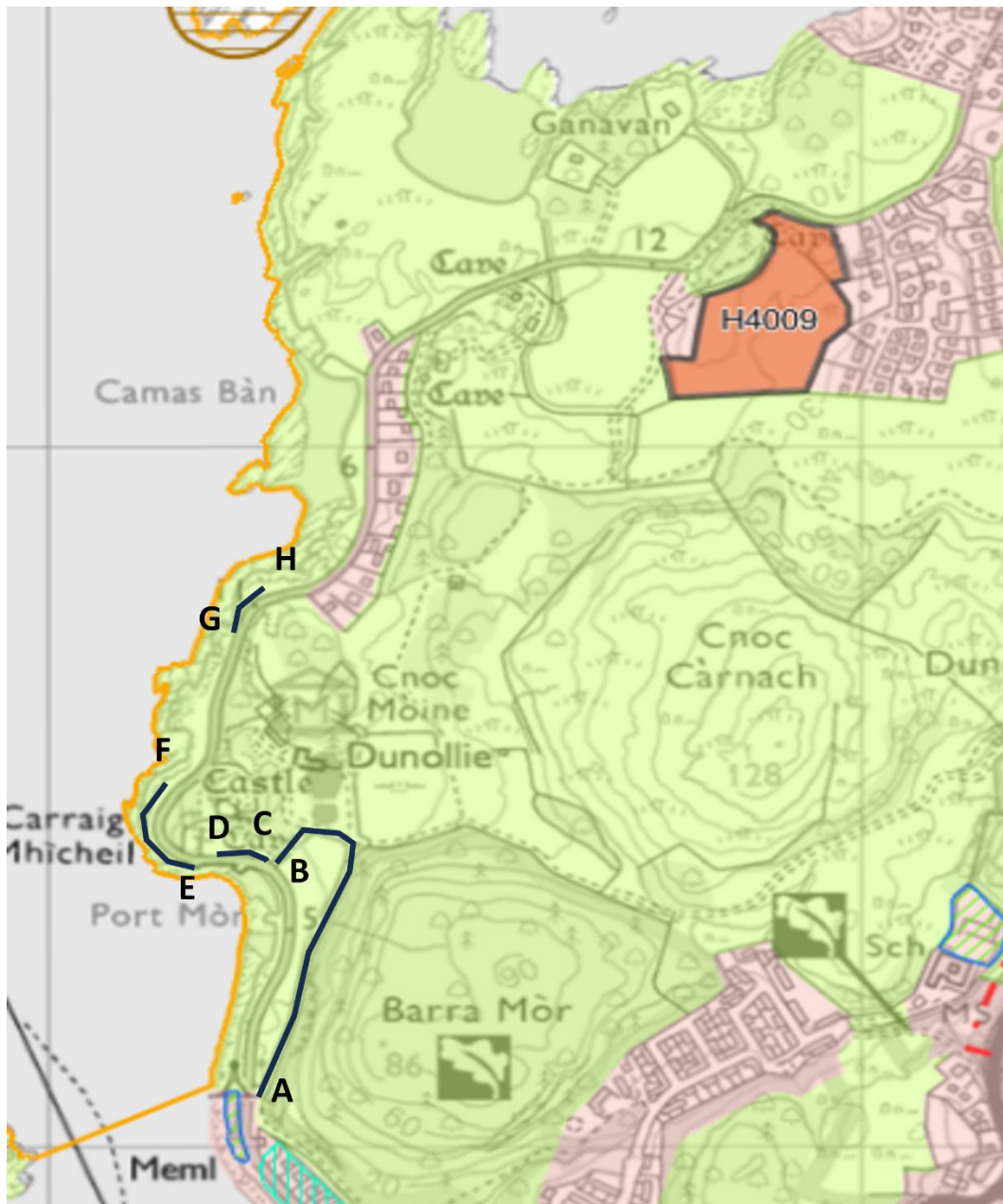
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APPENDICES

Appendix 1 – Map of WHHA Housing Allocation Site

APPENDIX 1 – MAP OF WHHA HOUSING ALLOCATION SITE



Anticipated pedestrian upgrade route (subject to change during detailed design and site investigations etc)