ARGYLL AND BUTE COUNCIL

COUNCIL

DEVELOPMENT AND ECONOMIC GROWTH

27 JUNE 2024

ACHA STOCK RESTRUCTURE PROPOSALS

1.0 EXECUTIVE SUMMARY

- 1.1 Argyll and Bute Council transferred their housing stock to Argyll Community Housing Association (ACHA) in 2006.
- 1.2 Any amendments to the original Transfer Agreement must be agreed by ACHA, Argyll and Bute Council and in the case of disposals, may require the consent of the Scottish Ministers. This report outlines ACHAs proposal to demolish and redevelop, or dispose of, a number of properties in Campbeltown and Dunoon which have been identified as no longer suitable to retain within its housing stock due to age, disrepair and ongoing maintenance costs.

RECOMMENDATIONS

It is recommended that Council:-

- approve ACHA's proposals to remove 44 units from the affordable rented stock at Dalintober, Campbeltown by means of demolition by a formal amendment to the Transfer Agreement. Funding is in place to build 24 new build properties on the site.
- ii. approve ACHA's request to sell a further 7 properties in Campbeltown on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
- iii. approve ACHA's request to sell 4 properties in the Dunoon area on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
- iv. delegate to the Council's Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the Leader of the Council, the Depute Leader, the Leader of the largest Opposition Group and the Policy Lead for Finance and Commercial Services for approval of the necessary financial justifications.

- v. retrospectively approve the demolition of 34 units at Eton Avenue, Dunoon. New build housing has been delivered on the site through the SHIP to meet the specific needs of families in the Dunoon area.
- vi. note ACHA's sale of 15 properties across Argyll and Bute in line with the stock rationalisation approval granted by the Council in February 2018.
- vii. support ACHA's request to the Scottish Government to exclude any disposals undertaken as part of these proposals from the tripartite Disposal Clawback Agreement.
- viii. advise ACHA that the proposed demolitions will require to be the subject of separate approvals from the Council as the Planning and Building Control Authority. ACHA will also be reminded that they will remain responsible for the maintenance of the areas of land detailed in this report.
- ix. advise ACHA that any future proposals to dispose of any of the land freed up by the demolitions will be subject to approval from Argyll and Bute Council.
- x. advise ACHA that any property or dwelling sold on the open market must be sold with title burdens securing in perpetuity principal occupation either through owner occupation or private rented tenancy.

ARGYLL AND BUTE COUNCIL

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DEVELOPMENT AND ECONOMIC GROWTH

27 JUNE 2024

ACHA STOCK RESTRUCTURE PROPOSALS

2.0 INTRODUCTION

- 2.1 The Council transferred their housing stock to Argyll Community Housing Association (ACHA) in 2006.
- 2.2 Any amendments to the original Transfer Agreement must be agreed by ACHA, Argyll and Bute Council and in the case of disposals, may also require the consent of the Scottish Ministers. This report outlines ACHAs proposal to demolish and redevelop, or dispose of, a number of properties in Campbeltown and Dunoon which have been identified as no longer suitable to retain within its housing stock due to age disrepair and ongoing maintenance costs.

3.0 RECOMMENDATIONS

It is recommended that Council:-

- approve ACHA's proposals to remove 44 units from the affordable rented stock at Dalintober, Campbeltown by means of demolition by a formal amendment to the Transfer Agreement. Funding is in place to build 24 new build properties on the site.
 - ii. approve ACHA's request to sell a further 7 properties in Campbeltown on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
 - iii. approve ACHA's request to sell 4 properties in the Dunoon area on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
 - xi. delegate to the Council's Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the Leader of the Council, the Depute Leader, the Leader of the largest Opposition Group and the Policy Lead for Finance and Commercial Services for approval of the necessary financial justifications.

- iv. retrospectively approve the demolition of 34 units at Eton Avenue, Dunoon. New build housing has been delivered on the site through the SHIP to meet the specific needs of families in the Dunoon area.
- v. note ACHA's sale of 15 properties across Argyll and Bute in line with the stock rationalisation approval granted by the Council in February 2018.
- vi. support ACHA's request to the Scottish Government to exclude any disposals undertaken as part of these proposals from the tripartite Disposal Clawback Agreement.
- vii. advise ACHA that the proposed demolitions will require to be the subject of separate approvals from the Council as the Planning and Building Control Authority. ACHA will also be reminded that they will remain responsible for the maintenance of the areas of land detailed in this report.
- viii. advise ACHA that any future proposals to dispose of any of the land freed up by the demolitions will be subject to approval from Argyll and Bute Council.
 - ix. advise ACHA that any property or dwelling sold on the open market must be sold with title burdens securing in perpetuity principal occupation either through owner occupation or private rented tenancy.

4.0 DETAIL

- 4.1 **Dalintober, Campbeltown**. ACHA have carried out extensive investigative work on the existing properties at Dalintober and concluded that they are not economically viable to repair and cannot be brought up to current Scottish Housing Quality Standards. The Council has supported ACHA to acquire the appropriate consents to enable demolition of the Dalintober properties. Funding has been agreed for ACHA to build 24 new build properties on the site to meet housing need and demand identified in Campbeltown. Listed Building Consent to demolish Dalintober has now been granted. Prior to any demolition, Planning Permission will be required for the detail of replacement new build properties.
- 4.2 **Campbeltown**. ACHA have identified a further 7 properties in Campbeltown where after extensive investigations and costings work they have concluded that they are uneconomical to repair. ACHA will market the properties for sale with a view to attracting investment into the properties. The recommendation in this paper is that they must be sold for principal occupation maintained in perpetuity by title burden.
- 4.3 **Eton Avenue Dunoon**. ACHA have demolished 34 units at Eton Avenue in Dunoon. They have delivered 4 varying needs new build properties on the site. The houses are built to fully accessible standards which meet the specific needs of families in the Dunoon area in consultation with local health services.



Photo 1: Eton Ave, Dunoon replacement properties

4.4 **Dunoon**. ACHA have identified a further 4 properties in the Dunoon area where after extensive investigations and costings work they have concluded that they are uneconomical to repair. ACHA will market the properties for sale with a view to attracting investment into the properties. The recommendation in this paper is that they must be sold for principal occupation maintained in perpetuity by title burden.

5.0 CONCLUSION

- 5.1 Despite the Housing Emergency in Argyll and Bute there is a requirement for ACHA to make best use of the stock available to the organisation in order to continue to be able to deliver high quality housing which meets the identified need and demand across the local authority area.
- 5.2 Properties in Campbeltown and Dunoon have been identified by ACHA as not being economically viable to repair. As such this justifies the course of action now being proposed by ACHA, both in terms of demolition and redevelopment, and disposal.
- 5.3 As a result of the current poor condition, and financial unviability of repair, ACHA will propose to Scottish Government that they should be excluded from the Disposal Clawback Agreement. There is no financial benefit to the Council from this agreement, and it is recommended the Council support ACHA's position subject to receiving confirmation paperwork and valuations to substantiate that contention. It is proposed that this confirmation can be delegated to the Council's Executive Director with responsibility for Development and Economic Growth in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the Leader of the Council, the Depute Leader

Councillor Ross Moreland and the Leader of the largest Opposition Group.

5.4 It should be noted that this report has been prepared on the basis of the Council's interest as the Housing Authority, and the recommendations are made in relation solely to the Stock Transfer Agreement and the Disposal Clawback Agreement. Listed Building consent has been granted to demolish the buildings. However prior to any proposed demolitions ACHA will require further agreement by the Council for approval in its role as planning authority and building standards regulator to ensure an appropriate method of demolition of the buildings, and restoration of the site in order to safeguard local amenity, and an acceptable redevelopment. ACHA are therefore advised to contact the Councils Planning and Building Standards services to discuss their proposals and secure the necessary consents.

6.0 IMPLICATIONS

- 6.1 Policy No change.
- 6.2 Financial None.
- 6.3 Legal The Stock Transfer agreement will need to be updated to reflect the changes.
- 6.4 HR None.
- 6.5 Fairer Scotland Duty: Positive in terms of making best use of housing stock.
- 6.5.1 Equalities protected characteristics None.
- 6.5.2 Socio-economic Duty Positive in terms of delivering affordable housing which meet identified need.
- 6.5.3 Islands No impact.
- 6.6 Climate Change Through stock rationalisation ACHA will be able to deliver housing which meets current energy efficiency standards.
- 6.7 Risk None.
- 6.8 Customer Service None.
- 6.9 The Rights of the Child (UNCRC) The housing delivered by ACHA has met the specific needs of children in Dunoon and the proposed development in Campbeltown will meet the needs of children in the Kintyre area.

Kirsty Flanagan, Executive Director with responsibility for Development and Economic Growth

Councillor Jim Lynch, Depute Policy Lead for Economic Development, Housing, Communities and Islands

For further information contact:

Fergus Murray, Head of Development and Economic Growth fergus.murray@argyll-bute.gov.uk

Matt Mulderrig, Development Policy and Housing Manager matt.mulderrig@argyll-bute.gov.uk

Douglas Whyte, Team Lead – Housing Strategy douglas.whyte@argyll-bute.gov.uk