

HOUSING DEVELOPMENT UPDATE**1. SUMMARY**

- 1.1 This report provides Members with an update on completion of affordable housing in the Mid Argyll, Kintyre and Islay area over the last three years; the developments currently on site and future funding issues.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the contents of this report.

3. DETAIL

- 3.1 **Developments.** The table below provides information on the affordable housing completions in Mid Argyll, Kintyre and Islay over the last three years.

Housing Market Area	08/09	09/10	10/11	Total units
Mid Argyll	17	7	18	42
Kintyre	13	22	30	65
Islay, Jura, Colonsay	0	0	3	3

There has also been substantial public investment in the refurbishment programme in Gigha and the Council has agreed to continue to support the ongoing programme through the private sector housing grant in 2011/12.

- 3.2 **Current Development Sites.** The developments currently on site in 2011/12 include:

§ Lochgilphead High School site;	61 properties at
§ Rent at Ardfern and	10 Rural Homes for
§ Square Campbeltown.	32 properties at Park

- 3.3 **Housing Need.** Primary research was conducted during 2010/11 to establish current levels of housing need and demand across all 9 Housing Market Areas (HMA). The Housing Need and Demand Assessment (HNDA) research forms the basis for housing supply targets for both affordable and market housing across the authority and informs the Main Issues Report. The Council's HNDA was awarded 'robust and credible' accreditation by the Centre for Housing Market Analysis in April this year. Affordable Housing Supply targets over the next five years are included in the Local Housing Strategy which is currently out to public consultation. Figures for MAKI are noted in the table below.

Table: Affordable housing need and supply targets, 5 yrs.

HMA area	5 year shortfall	Number of households whose need could be met via alternative interventions (est 30%)	Residual Affordable Housing Need
Islay, Jura, Colonsay	-522	157	-365
Mid Argyll	-384	115	-269
Kintyre	-73	22	-51

- 3.4 **Additional Criteria.** While basic housing need is the fundamental criteria for prioritising projects by area, a more refined evaluation process is required to reflect the range of factors affecting this prioritisation. These indicators have also been utilised in a wider context to provide evaluation criteria generally for prioritisation of individual Strategic Housing Investment Plan (SHIP) projects. The criteria include:-

Criteria	Description	Indicator	Ranking
Criteria 1	Identified need by HMA	HNDA – total shortfall in affordable housing	1
Criteria 2	Pressure ratios by settlement	CHR - waiting list applicants per available let on an annual basis	2
Criteria 3	Homeless Pressure	HL1s - total applicants per HMA & relative time to close cases	3
Criteria 4	Social stock levels	Proportion of existing RSL stock to total number of dwellings on CTR	4
Criteria 5	Wider Strategic Fit	Direct resource links with Economic Development Action Plan or other community regeneration initiatives	5
Criteria 6	Particular Needs by HMA	HNDA – total shortfall for special needs accommodation	6
Criteria 7	Risk/Deliverability	Satisfies key development criteria	7

		(site ownership; planning consent; resourced; infrastructure constraints)	
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3.5 **Strategic Housing Investment Plan.** The current Strategic Housing Investment Plan 2011-2016, includes potential development sites in Islay, Tarbert and Ardfern as priorities for development during the life of the plan.

3.6 **Funding for Affordable Housing.** The methodology for the allocation of government funding for the development of affordable housing has changed this year. The Affordable Housing Investment Programme was previously delivered through the allocation of Housing Association Grant and in Argyll and Bute in 2006/07 reached a record level of £21.4m.

3.7 **Innovation and Investment Fund.** This year funding will be allocated through an Innovation and Investment Fund which amounts to £50m for the whole of Scotland. The Fund is divided into three elements: Council House Building £20m; RSL developments £20m and an Innovation Fund £10m which is open to any organisation to bid for funds, including private developer.

3.8 Access to the Innovation and Investment Fund is through a national challenge process. There is no indication as to the how allocations will be decided but priority may be given to those schemes which require the lowest levels of grant subsidy. The key driver is to reduce the amount of government subsidy per unit. The Government will announce the outcome of this bidding process by the end of August.

4.0 CONCLUSION

4.1 With the exception of Bute, which according to the findings of the updated HNDA will actually experience an increasing surplus of affordable housing over the next 5 to 10 years, all HMAs within Argyll and Bute are subject to varying degrees of housing pressure. The highest levels of housing need within the MAKI area have been identified within the Islay, Jura and Colonsay housing market area.

4.2 Affordable Housing Development across Scotland will be affected by the changes in the funding regime. The outcome of the bids for the current financial year will be known by the end of August but there has been no indication as to how housing development will be funded beyond 2011/12.

5.0 IMPLICATIONS

- 5.1 *Policy: None*
- 5.2 *Financial: None*
- 5.3 *Legal: None*
- 5.4 *Personnel: None*
- 5.5 *Equal Opportunities: None*

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