

HOUSING EMERGENCY - COLONSAY AFFORDABLE HOUSING UPDATE

2.0 INTRODUCTION

- 2.1 Argyll and Bute Council has identified a high level of housing need and demand on Colonsay. As a result the Council has supported an affordable housing development at Scalasaig. The housing development is being delivered by Colonsay Community Development Company in partnership with Communities Housing Scotland. The Council has provided financial support through the Strategic Housing Fund. £28,500 was approved by Council in May 2020 to enable the purchase of land for the housing. A further £108,000 has been awarded to the project through the Strategic Housing Fund which is the officer mandate of £12,000 per unit for the nine affordable homes being delivered at Scalasaig. A loan of £440,000 to Colonsay Community Development Company was approved in June 2023.
- 2.2 Since the inception of the development and business plan production for the Scalasaig affordable housing some years ago the financial climate has changed and funding package which was originally agreed is not sufficient to cover the cost of the housing project on Colonsay. The Council in partnership with Highlands and Islands Enterprise and the Scottish Government have worked with the Colonsay Community Development Company to minimise the additional costs

4.6 **Current Progress**

Colonsay Community Development Company have been working with the Communities Housing Trust to deliver a range of affordable housing options at Scalasaig, Colonsay. 9 affordable homes plus 3 self- build plots will be delivered on the site. The aim is for the afford

but thought to be problematic due to the.

- lack of alternative contractors willing to undertake the remaining works.
- time required to agree new terms and initiate a resumption of works.
- probability of a substantial cost increase if a new contractor was appointed.
- uncertainty around the timescale and realism of recovering any additional costs through legal avenues.
- potential liquidation of a long-established key contractor and employer in the area.

4.11 Following discussion with primary funders the Communities Housing Trust (CHT) on behalf of CCDC were tasked to negotiate with the contractor and arrive at a figure which would alleviate some of the financial pressures and

this will be completed and issues addressed prior to issuing any third party grant approved by this paper.

5.0 CONCLUSION

5.1 The Committee is asked to approve the recommendation set out in Section 3.1 based on the evidence supplied within this document with the purpose of enabling the delivery of affordable housing on Colonsay.

6.0

