**ARGYLL AND BUTE COUNCIL** **MAKI AREA COMMITTEE**

**DEVELOPMENT AND ECONOMIC GROWTH** **4TH DECEMBER 2019**

# HOUSING SERVICES ACTIVITY UPDATE - STRATEGIC HOUSING INVESTMENT PLAN (SHIP) – ANNUAL UPDATE

## 1.0 EXECUTIVE SUMMARY


The main purpose of this report is to update Members of Housing Services activity within the Mid Argyll, Kintyre and the Islands area.

This report will detail the following housing activity:-

- Housing Need and Demand
- Homelessness
- Affordable Housing Supply - Strategic Housing Investment Programme (SHIP)
- Empty Homes
- Private Sector Housing Grant Adaptations
- Private Sector Housing Grant Repairs and Improvements
- Energy Efficiency - Home Energy Efficiency Programme:Area Based Scheme(HEEP:ABS)
- Welfare Rights

Members are asked to consider the content of the report.

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## 2.0 INTRODUCTION

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## 3.0 RECOMMENDATIONS

3.1 Members are asked to consider the content of this report.

## 4.0 DETAIL

4.1 Argyll and Bute Council retains the role of strategic housing authority and therefore has a series of important statutory housing functions to fulfil. A Housing Needs and Demand Assessment is carried out every 5 years which enables Scottish Government funding to be brought into Argyll and Bute primarily to deliver affordable housing. The Council also produces a Local Housing Strategy (LHS) every 5 years. The current LHS runs from 2016-2021 and have a vision for housing in Argyll and Bute which is ‘ a housing system that makes a strong contribution to thriving and sustainable communities and supports economic growth’. This report will detail the housing activity taking place in Mid Argyll, Kintyre and the Islands

## 4.2 HOUSING NEED AND DEMAND

| HOMEArgyll WAITING LIST July 2019 – Active Applicants (including Transfers but excluding those with nil points) | | | | | |
|---|---|---|---|---|---|
| 1st Area Of Preference | Minimum Bedroom Size Required | | | | TOTAL |
| | 0/1beds | 2beds | 3beds | 4+beds | |
| Mid Argyll | 78 | 30 | 22 | 10 | 140 |
| Kintyre | 34 | 18 | 11 | 4 | 67 |
| Islay | 67 | 25 | 17 | 5 | 114 |
| Jura | 4 | 1 | 0 | 0 | 5 |
| Colonsay | 5 | 2 | 1 | 0 | 8 |
| Gigha | 0 | 1 | 0 | 1 | 2 |

By settlement, the main areas of demand are: Ardrishaig – 16 applicants; Inveraray – 29 applicants; Lochgilphead – 59; Tarbert – 22; Campbeltown – 61; Bowmore – 61 applicants; and Port Ellen – 37.

For MAKI as a whole, the majority of applicants (56%) require one bedroom and 29% require 2 bedrooms.15% require 3 bedrooms and only 6% need 4 or more.

**However, to establish actual need, the available supply must be factored into this, based on the available lets within the RSL stock during a year.**

| 1st Area Of Preference | HOMEArgyll Applicants | RSL Lets 2018/19 (HOMEArgyll only) | Pressure Ratio |
|---|---|---|---|
| Mid Argyll | 140 | 146 | 1:1 |
| Kintyre | 67 | 109 | 1:2 |
| Islay | 114 | 45 | 3:1 |
| Jura | 5 | 1 | 5:1 |
| Colonsay | 8 | 0 | 8:0 |
| Gigha | 2 | 6 | 1:3 |

**In terms of individual settlements there are "hotspots" within the HMAs:** Inveraray has a moderate overall pressure ratio of 3:1, with particular demand for 1 bedrooms (ratio of 5:1).

Tarbert currently has a high pressure ratio for 3 bedrooms (10:1, possibly driven by the current development plans for the area)

There is also a small but unmet requirement in Lochgilphead and Tarbert for larger properties, 4+ bedrooms.

Kintyre generally exhibits low demand and potential over supply in many areas.

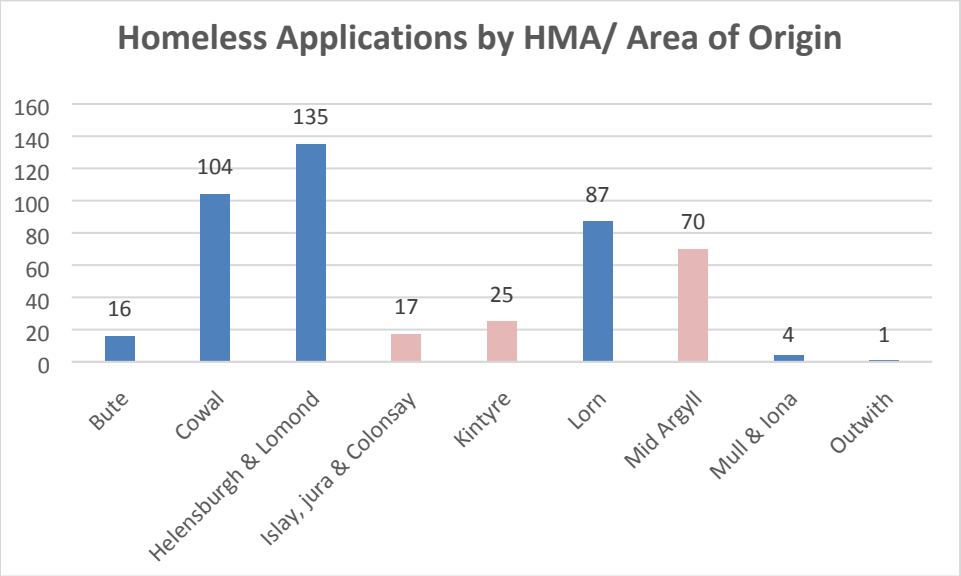
With no turnover last year Bridgend on Islay and Colonsay in particular are potentially relatively pressured areas (4 and 8 applicants respectively for nil lets).

Port Ellen and Jura are medium pressured areas overall (4 or 5:1). However both Bowmore and Port Ellen have very high pressure ratios for one bedroom properties (16:1 and 25:1 respectively).

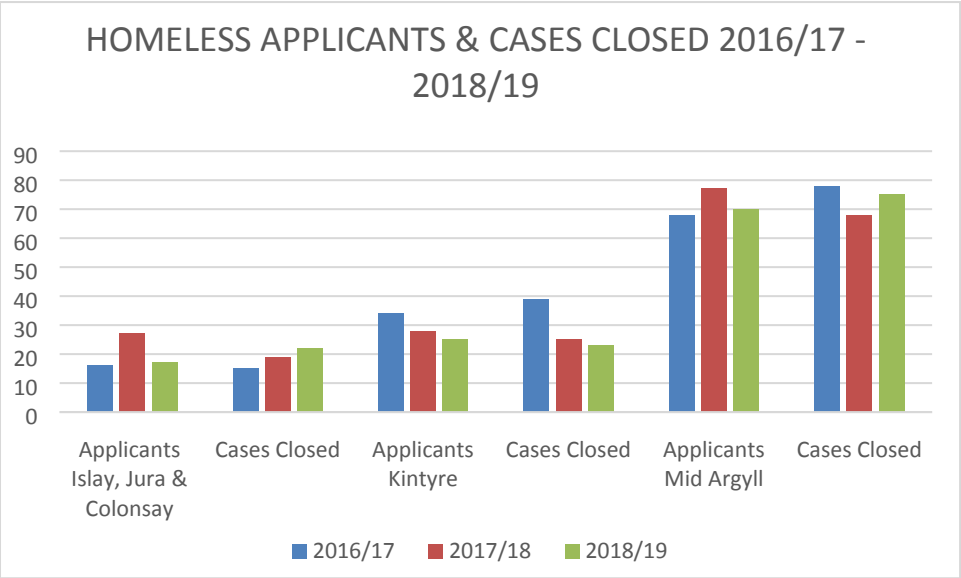
**While the pressure ratios are only one factor in determining need and demand, they are useful indicators of areas where further research and analysis may be required.**

## 4.3 HOMELESSNESS

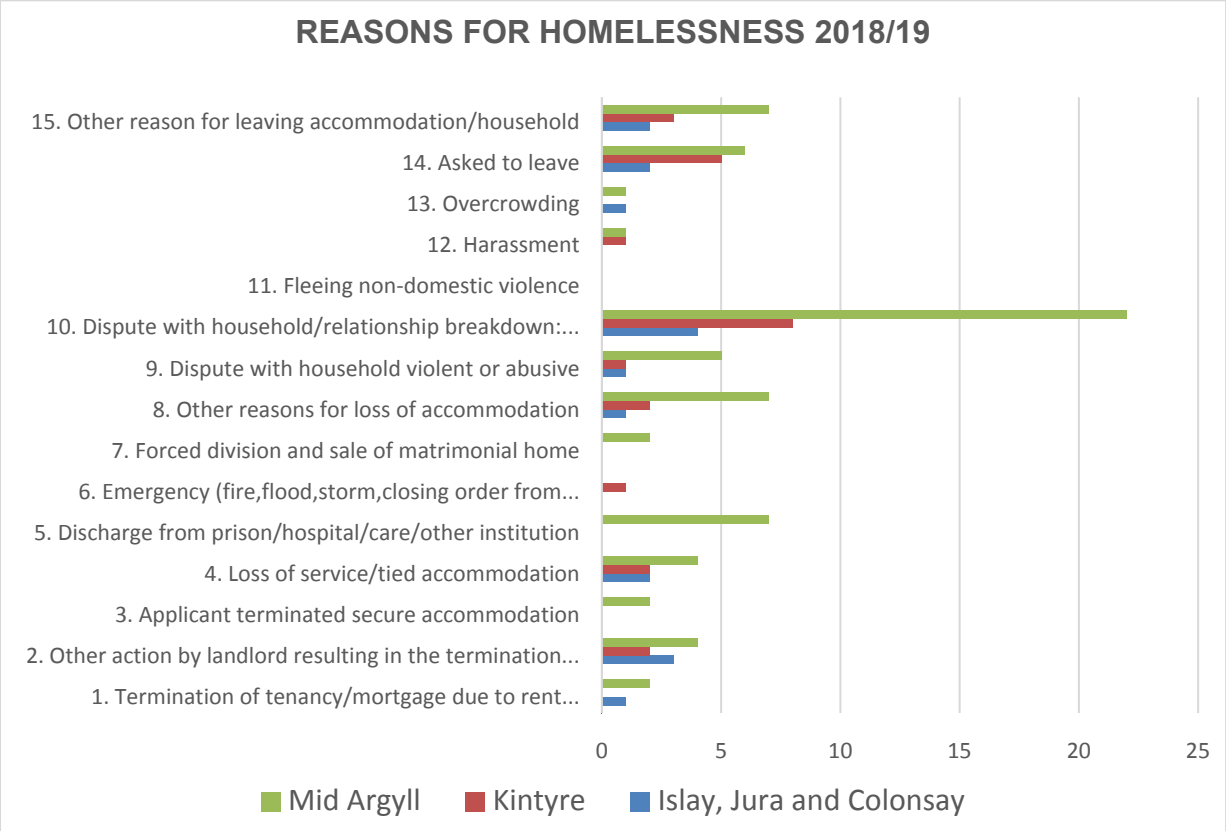
In 2018/19, there were 70 homeless applicants in Mid Argyll (15% of the Argyll & Bute total), 25 in Kintyre (5% of the total) and 17 in Islay, Jura & Colonsay (under 4% of the total for the authority as a whole).




During 2018/19, there were 22 homeless cases closed in Islay, Jura & Colonsay; 23 in Kintyre; and 75 in Mid Argyll. While the incidence of homelessness has steadily declined in Kintyre over the last 3 years, it has fluctuated in the other areas.




The main reasons for presenting as Homeless last year were “disputes with family/relationship breakdown”, and Mid Argyll also saw a number of people leaving institutions (such as hospital, care or prisons).



**Rough Sleeping**
MAKI experienced minimal incidence of rough sleeping last year, with only 7 cases in total across the area. These were disaggregated as follows:-

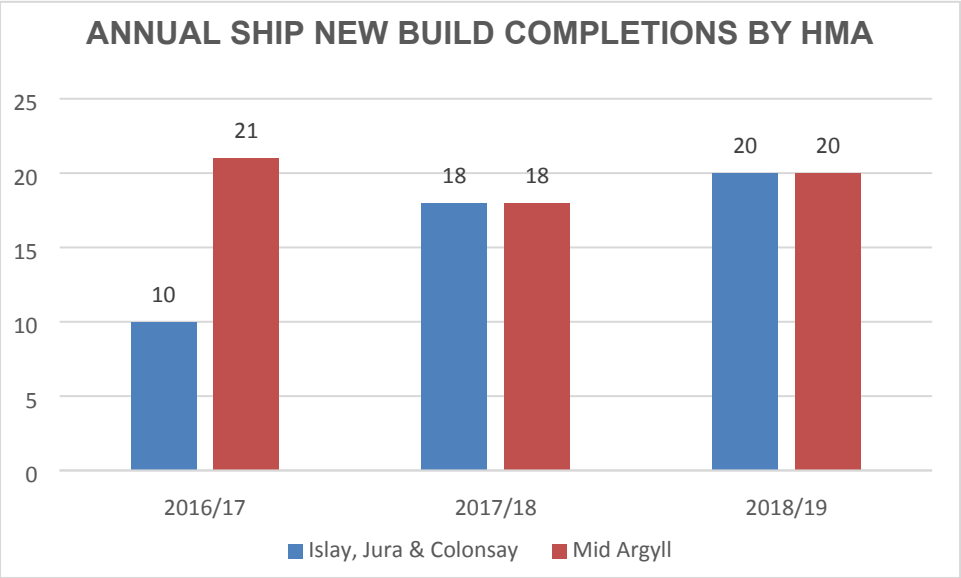
| AREA | Number of Rough Sleepers in 2018/19 |
|---|---|
| Islay, Jura & Colonsay | 1 |
| Kintyre | 2 |
| Mid Argyll | 4 |
| MAKI | 7 |

## 4.4 AFFORDABLE HOUSING SUPPLY

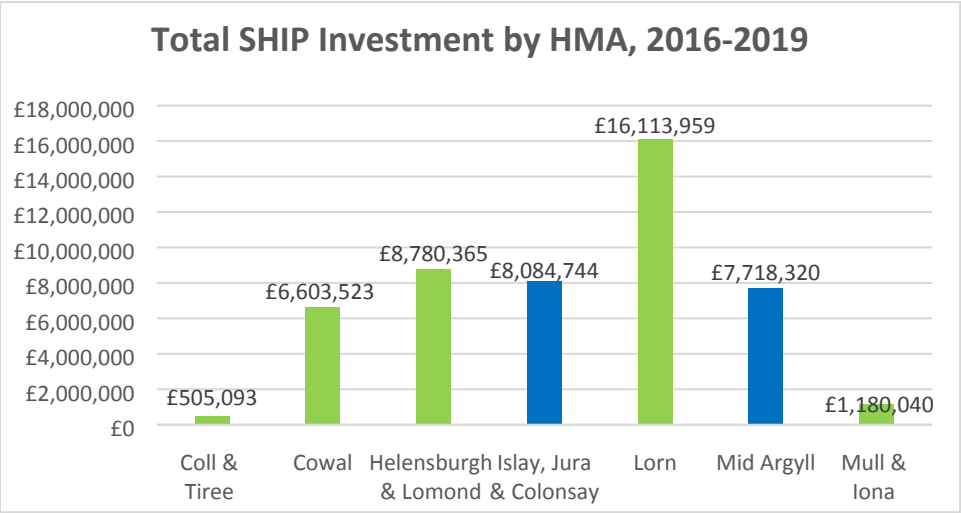
The Strategic Housing Investment Plan (SHIP) delivered 40 new affordable homes in MAKI in 2018/19, including 20 on Islay and 20 in Mid Argyll. The total investment in these projects amounted to £6.17m.

| RSL | PROJECT | Units | Scottish Govt. Funding | Council SHF | RSL Private Finance | TOTAL |
|---|---|---|---|---|---|---|
| ACHA | Bowmore Phase 3 | 20 | £1,841,720 | £240,000 | £1,364,477 | £3,446,197 |
| FYNE Homes | Lochgilphead Phase 4 | 16 | £1,152,000 | £192,000 | £813,600 | £2,157,600 |
| FYNE Homes | Minard Phase 2 | 4 | £313,920 | £48,000 | £205,020 | £566,940 |
| TOTALS | | 40 | **£3,307,640** | **£480,000** | **£2,383,097** | **£6,170,737** |

Cumulatively over the last 3 years of the current LHS, there have been 59 new affordable homes built in Mid Argyll and 48 on Islay, via the SHIP.




Over the last 3 years, SHIP investment has amounted to £8m in Islay, Jura & Colonsay and £7.7m in Mid Argyll; clearly reflecting the development uplift costs for islands.




**SHIP Projects onsite at start of 2019/20.**

| Site/Development | RSL | Total Units | Expected Date of Completion |
|---|---|---|---|
| Kilmartin | ACHA | 4 | March 2020 |
| Mill Park, Southend | ACHA | 1 | Acquisition in 2019 |
| Cairnbaan | ACHA | 5 | March 2020 |
| Imereval, Islay | WHHA | 8 | March, 2020 |

In addition, further sites/projects in the MAKI area which are in early stages of development and may be programmed in the SHIP for completion by 2021 include:

| | |
|---|---|
| ACHA | Inveraray (10 units);<br>Keills, Islay (4 units);<br>Tarbert (4 units);<br>Bowmore Phase 4 (18 units); |
| WHHA | Jura (10 units);<br>Colonsay (5 units) |

## 4.5 EMPTY HOMES

In 2018/19 there were 15 private empty homes brought back into use in MAKI, amounting to almost a third of all the empty homes brought back into use across Argyll and Bute last year with assistance of the Empty Homes Officer.

**Council Tax Information on Empty Homes.**

The following table breaks down the numbers of empty homes including those subject to premium Council Tax charge across the MAKI area. The table does not include properties which are empty and exempt from Council Tax. The numbers of recorded empty homes can vary from day to day due to natural changes and reported numbers are snapshot from monthly reports.

| **MAKI**<br><br>Council tax data as at 01.10.19 | **Number of properties on Council Tax register** | **Empty Homes** | **Properties subject to 200% council tax levy** | **Total EMPTY** |
|---|---|---|---|---|
| Islay, Jura & Colonsay | 2,178 | 30 | 38 | 68 |
| Mid Argyll | 5,707 | 129 | 71 | 200 |
| Kintyre (including Gigha) | 4,217 | 79 | 67 | 146 |
| **MAKI TOTAL** | **12,102** | **238** | **176** | **414** |

**Council Tax Exemptions**

There are also a number of empty properties which are on the Council Tax register which are exempt from paying council tax. In MAKI there are over **311** properties which are empty and exempt from Council Tax. The most common categories for empty properties include:

- Class 2A = Unoccupied dwelling – under renovation (**12**)
- Class 4A = Properties recently occupied but now empty and unfurnished (**162**)
- Class 5A = Living or Detained elsewhere – e.g. care home, hospital or prison (**14**)
- Class 7A = Dwellings Empty Under Statute – Closing or Demolition Order (**40**)
- Class 6A = Deceased owners – where estate has not been settled (**79**)

Other empty categories include: Repossessed dwellings (**0**), New Dwellings (**0**) Lighthouse premises (**4**)

## 4.6 PRIVATE SECTOR HOUSING GRANT – ADAPTATIONS

In 2018/19, there were 35 private sector properties adapted with PSHG aid in MAKI, and a total of 37 individual adaptations installed.

| **PSHG ADAPTATION COMPLETIONS 2018 -2019** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **HMA** | **Grant Value** | **Works Value** | **ADAPTATION INSTALLED** | | | | |
| | | | **Ramp** | **Stairlift** | **Access** | **bathroom Adaptation** | **Adaptions for Autism** |
| **Kintyre** | £ 44,613 | £ 60,483 | | 3 | | 5 | 2 |
| **Mid Argyll** | £ 87,335 | £ 100,959 | 2 | 2 | 2 | 16 | |
| **Islay, Jura & Colonsay** | £ 18,969 | £ 22,425 | | 1 | | 4 | |
| **TOTALS** | **£ 150,917** | **£ 183,867** | **2** | **6** | **2** | **25** | **2** |

## 4.7 PRIVATE SECTOR HOUSING GRANT – REPAIRS AND IMPROVEMENTS

In 2018/19, there were a total of 13 PSHG repair and improvement grants completed in MAKI, all in Kintyre (across Argyll and Bute, the total was 23). Total cost of the works was £285,944, of which PSHG covered £67,032. This

was 74% of the total repair grant awarded for Argyll & Bute last year.

## 4.8 ENERGY EFFICIENCY (HEEP:ABS)

There were 468 energy efficiency measures installed across Argyll and Bute in 2018/19 via the HEEPS:ABS programme; and the majority of these (218, or 47%) were in the MAKI administrative area (with 152 in Bute & Cowal; 56 in Helensburgh & Lomond; and only 42 in the Oban, Lorn & Isles area).
In total, 155 properties were improved across the MAKI area, at a total cost of £1,007,945. Grant aid in support of this work amounted to £899,038, almost 90% of the total costs.

Current estimates of Fuel Poverty are based on Home Analytics data:-

| AREA | Likelihood of households in Fuel Poverty |
|---|---|
| Jura | 46% |
| Islay | 54% |
| Gigha | 79% |
| Mid Argyll | 46% |
| Kintyre | 63% |
| MAKI Overall | 53% |
| Argyll & Bute | 43% |
| Scotland | 27% (SHCS figure) |

NB. Estimates for Colonsay appear overly optimistic and therefore are not being disseminated at this stage.Home Analytics data also indicates that around 86% of MAKI is off the gas grid.

## 4.9 WELFARE RIGHTS

The Welfare Rights service has a key focus on maximising income and reducing poverty: and in 2018/19 the service helped local residents to claim £3.6m in additional benefits to which they were entitled. Cases in MAKI accounted for £1,544,077 or 42% of this Argyll and Bute total. Over the last three years, the total income generated in MAKI has amounted to £4,224,814.

**Measurable Annual Income Generated via Welfare Rights Intervention.**

| Area Team | 2016/17 | 2017/18 | 2018/19 | 3 Year Total |
|---|---|---|---|---|
| Mid Argyll | £418,913 | £503,654 | £664,299 | **£1,586,866** |
| Kintyre and Islay | £945,442 | £812,728 | £879,778 | **£2,637,948** |
| **MAKI TOTALS** | **£1,364,355** | **£1,316,382** | **£1,544,077** | **£4,224,814** |
| | | | | |
| Cowal and Bute | £454,678 | £477,971 | £677,376 | **£1,610,025** |
| Lomond | £1,035,513 | £772,393 | £950,622 | **£2,758,528** |
| Lorn | £584,923 | £373,479 | £494,547 | **£1,452,949** |
| **Argyll & Bute** | **£3,439,469** | **£2,940,225** | **£3,666,622** | **£10,046,316** |

## 5.0 CONCLUSION

5.1 This report provides the detail of the Council Housing Services team activity in the Mid Argyll, Kintyre and Islands area. There are a variety of housing issues within the area which are being tackled by Housing Services and partner agencies with the aim of delivering a functioning housing systems which meets the needs of the communities we serve.

## 6.0 IMPLICATIONS

6.1 Policy
6.2 Financial
6.3 Legal
6.4 HR
6.5 Fairer Scotland Duty:
6.5.1 Equalities - protected characteristics
6.5.2 Socio-economic Duty
6.5.3 Islands
6.6. Risk
6.7 Customer Service

**Executive Director of Development and Infrastructure**

**Policy Lead Robin Currie**

7th October 2019

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## APPENDICES

Appendix 1 – Extract from LHS 2016 - 2021 (data as of 2016) Islay, Jura & Colonsay
Appendix 2 – Extract from LHS 2016 - 2021 (data as of 2016) Kintyre
Appendix 3 – Extract from LHS 2016 - 2021 (data as of 2016) Mid Argyll
Appendix 4 – Updated HMA Profile 2019

**Appendix 1 – Extract from LHS 2016 - 2021 (data as of 2016) Islay, Jura & Colonsay**

**ISLAY, JURA & COLONSAY**

| | |
|---|---|
| Population | 3,437 |
| Households | 1,646 |
| Dwellings | 2,109 |
| Ineffective stock | 463 |
| RSL Stock | 445 |
| Waiting List | 105 |
| Annual Lets | 20 |
| Pressure Ratio | 5:1 |
| Average House Price | £133,477 |
| Average Income | £27,977 |
| Affordability | 4.8 |

**ISLAY, JURA & COLONSAY HMA** combines three distinct islands for strategic planning purposes. The overall population fell by around 6% between the 2001 and 2011 censuses, although individual island trends varied considerably: Colonsay actually increased by 15% and Jura by 4%. The total number of households for the three islands also fell by 2.4%, although again this varied by individual island, with Colonsay's total households increasing by 35% and Jura's by 4.5%. Islay generally has seen continuous decline. The islands are not particularly contained housing markets with only 57% of house sales going to local purchasers. The area has the highest rate of overseas purchasers in Argyll & Bute (4% of all sales). Affordability is an issue, with a price-to-income ratio of 4.8, above the Argyll and Bute average and well above the standard affordability threshold. Between 2003 and 2013 there was a significant increase in the total number of dwellings (over 7% growth) and currently the islands account for over 4% of the total stock in the authority. However, almost 22% of the stock comprises second/holiday homes or long-term vacant properties and is consequently unavailable to meet local need. In 2015 there were around 445 social rented homes which was over 5% of the total RSL sector in Argyll & Bute. Numerically, waiting lists may be small however turnover in the stock is also limited, therefore the pressure ratio is rlatively high with 5 applicants for every available let.

**Key issues for Islay, Jura & Colonsay HMA:**

Small-scale developments of affordable housing will benefit the sustainability and economic growth of the island communities.

Tackling fuel poverty and improving energy efficiency are priorities.

Ensuring appropriate specialist provision is available to meet the requirements of those with particular needs will also be important.

**Appendix 2 – Extract from LHS 2016 - 2021 (data as of 2016) Kintyre**

| KINTYRE | |
|---|---|
| Population | 7,767 |
| Households | 3,469 |
| Dwellings | 3,851 |
| Ineffective stock | 382 |
| RSL Stock | 1,144 |
| Waiting List | 104 |
| Annual Lets | 122 |
| Pressure Ratio | 1:1 |
| Average House Price | £125,764 |
| Average Income | £27,315 |
| Affordability | 4.6 |

**KINTYRE HMA** covers the Kintyre peninsula south of Tarbert and for planning purposes also incorporates the Isle of Gigha. It is actually the most contained Housing Market within the authority; over 68% of all house sales are to local residents and only 15% of sales are to purchasers from elsewhere in Scotland, the lowest rate of any HMA. Although local household incomes are amongst the lowest in the authority area, so too are average house prices and consequently, while a proportion of local residents are unable to afford on the open market, the affordability ratio is far less excessive than other areas. Kintyre accounts for 9% of the total dwelling stock in the authority, and this has seen only marginal growth over the last decade with an increae of 2.6% which is the lowest rate of increae of any HMA (apart from Bute which saw an actual decline in stock). The area also has a relatively low level of ineffective stock, though at 10% of the total this is still well above national levels. In 2015, there were 1,144 RSL homes in this area accounting for 14% of Argyll & Bute's total stock of social rented housing. Turnover is high relative to the waiting list, and supply actually outstrips demand therefore, there are no immediate plans for further development in this area.

**Key issues for Kintyre HMA:**

The focus in this area will be on repairing, maintaining, improving and managing existing stock; and any new build developments should be concentrated in the private market.

Tackling fuel poverty and improving energy efficiency remain priorities.

The provision of Housing Options advice and information; Tenancy Support; and ensuring sufficient specialist provision remains available to meet the requirements of those with particular needs will also be important.

**Appendix 3 – Extract from LHS 2016 - 2021 (data as of 2016) Mid Argyll**

**MID ARGYLL**

| | |
|---|---|
| Population | 9,382 |
| Households | 4,759 |
| Dwellings | 5,515 |
| Ineffective stock | 756 |
| RSL Stock | 971 |
| Waiting List | 155 |
| Annual Lets | 109 |
| Pressure Ratio | 1:1 |
| Average House Price | £139,142 |
| Average Income | £32,670 |
| Affordability | 4.3 |

**MID ARGYLL HMA** stretches from Inveraray to Lochgilphead and Tarbert and is the centre for much of the public sector employment opportunities in the authority, including Council headquarters. Around 62% of house sales in the area are to local residents, but over 7% are to purchasers from elsehwere in Argyll & Bute, the highest rate of internal movement within the authority. 18% of purchasers come from elsewhere in Scotland and over 10% originate elsewhere in the UK. This area tends to have higher than average income levels and consequently the price-to-income affordability ratio is lower than most other HMAs. The total number of dwellings has increased significantly in recent years, with a 10% rise between 2003 and 2013. Currently the area accounts for over 11% of the authority total. However, around 14% of the stock comprises second/holiday homes and long-term vacant properties and is therefore unavailable to meet local needs. In 2015 there were 971 RSL homes in the area, almost 12% of the sector total for Argyll & Bute. While turnover is relatively healthy in the RSL stock, over 9% of the total waiting list is seeking to be rehoused here and over 15% of homelessness is located in this HMA. HNDA analysis suggested that around 14% of backlog need is also located in Mid Argyll.

**Key issues for Mid Argyll HMA:**

A strategic programme of new build affordable housing will help to sustain economic growth and address unmet need in the area.

The provision of Housing Options advice and information; targeted Tenancy Support; and assistance to tackle fuel poverty and improve energy efficiency; and ensuring sufficient specialist provision is available to meet the requirements of those with particular needs will also remain key targets.

**Appendix 4 – Updated HMA Profile 2019**

## UPDATED HMA PROFILE, 2019

| | MID ARGYLL | KINTYRE | ISLAY, JURA & COLONSAY | MAKI TOTAL |
|---|---|---|---|---|
| Population (2016-based MYE, SAPE) | **9,137** | **7,591** | **3,365** | **20,093** |
| Households (NRS 2017 estimates) | **4,697** | **3,901** | **1,723** | **10,321** |
| All Dwellings (Council Tax Register, October 2019 All Properties) | **5,707** | **4,217** | **2,178** | **12,102** |
| All Occupied Dwellings (CTR, 2019, no discount) | **5,055** | **3,858** | **1,846** | **10,759** |
| Ineffective Stock (CTR, 2019, vacant + 2nd/ holiday homes) | **652** | **359** | **332** | **1,343** |
| RSL Stock (2019 Annual RSL Returns) | **1,029** | **1,110** | **505** | **2,644** |
| Average Household Income (CACI Paycheck, 2018) | **£35,060** | **£27,029** | **£31,244** | n/a |

## TOTAL RSL STOCK BY HMA & LANDLORD, 2019

| HMA | Trust | Fyne Homes | ACHA | Cairn | WHHA | Totals |
|---|---|---|---|---|---|---|
| Islay, Jura & Colonsay | 41 | 0 | 379 | 0 | 85 | **505** |
| Kintyre | 0 | 248 | 828 | 34 | 0 | **1110** |
| Mid Argyll | 0 | 426 | 603 | 0 | 0 | **1029** |
| MAKI Total | 41 | 674 | 1810 | 34 | 85 | **2644** |