ARGYLL AND BUTE COUNCIL	**OBAN LORN AND THE ISLES AREA COMMITTEE**
DEVELOPMENT AND ECONOMIC GROWTH	**9 MARCH 2022**

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

1.0 EXECUTIVE SUMMARY

1.1 The main purpose of this report is to update Members of Housing Services activity and progress with the Local Housing Strategy for the Oban, Lorn and the Isles 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)
- Local Housing Strategy

RECOMMENDATIONS

Members are asked to consider the content of the report.

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2.0 INTRODUCTION

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- Local Housing Strategy

3.0 RECOMMENDATIONS

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

4.0 DETAIL

4.1 As the Strategic Housing Authority for this area, the Council has a series of important statutory housing functions to fulfil. A Housing Need and Demand Assessment (HNDA) is carried out every 5 years which enables Scottish Government funding to be brought into Argyll and Bute primarily to deliver affordable housing. A comprehensive revision of the local HNDA was approved as “robust and credible” by the Scottish Government’s Centre for Housing Market Analysis in December 2021. The Council also produces a Local Housing Strategy (LHS) every 5 years. The previous LHS was completed in 2021.

A fully revised LHS has been developed in accordance with Scottish Government guidance and local priorities as identified in the new HNDA. .This sets out the vision for Argyll and Bute: ***"Everyone in Argyll & Bute has access to a suitable, high quality home which is affordable and located within a vibrant, sustainable and connected community."*** This report will detail the housing activity taking place in Oban, Lorn and the Isles.

4.2 HOUSING NEED & DEMAND IN OBAN, LORN & THE ISLES

HOMEArgyll WAITING LIST July 2021 – Active Applicants (excluding applicants with 0 points i.e. no need)					
	Minimum Bedroom Size Required				TOTAL
	0/1beds	2beds	3beds	4+beds	
Lorn	264	155	76	38	533
Mull & Iona	44	12	4	1	61
Coll & Tiree	10	4		2	16
OLI Totals	318	171	80	41	610

In addition there was a registered demand from almost 300 applicants who received nil points according to the Common Allocation Policy and therefore would be deemed not to have a defined housing need. This included 253 applicants for Lorn; 37 for Mull & Iona; and 7 for Coll & Tiree.

For the Oban Lorn and Isles area as a whole, the majority of applicants (52%) require one bedroom and 28% require 2 bedrooms.13% require 3 bedrooms and 7% need 4 bedrooms 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.

Applicants per available RSL Let (Pressure Ratios)

	HOMEArgyll Applicants	RSL Lets 2020/21 (HOMEArgyll only)	Pressure Ratio
Lorn	533	94	6:1
Mull & Iona	61	24	3:1
Coll & Tiree	16	1	16:1
OLI Totals	610	119	5:1

(NB. 2020/21 lets were partially constrained due to covid measures)

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

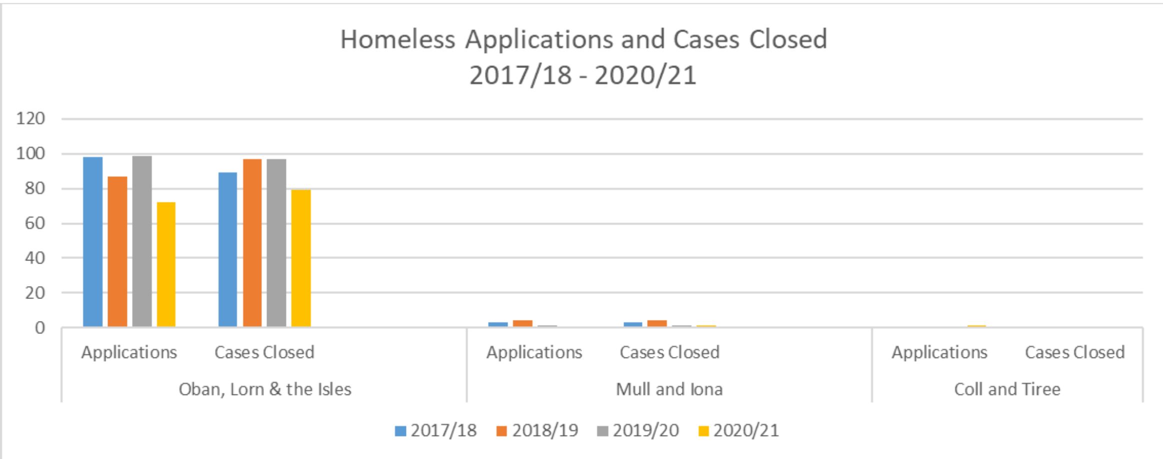
The fully revised Argyll & Bute HNDA 2021 takes account of a wide range of factors to determine existing need and future demand for new build housing, and demographic projections have a critical role in this assessment. Although the default population projections suggest a significant and continuous decline across Argyll and Bute, and consequently minimal or zero requirement for new build housing, the council has developed ambitious Housing Supply Targets based on an alternative, positive growth scenario for all areas. In this instance, 28% of the Argyll & Bute Housing requirement would be apportioned to Lorn; 4% to Mull & Iona; and around 1% to Coll & Tiree. Over the next 5 years this could amount to at least 480 new builds across all tenures for the OLI area as a whole.

4.3 HOMELESSNESS

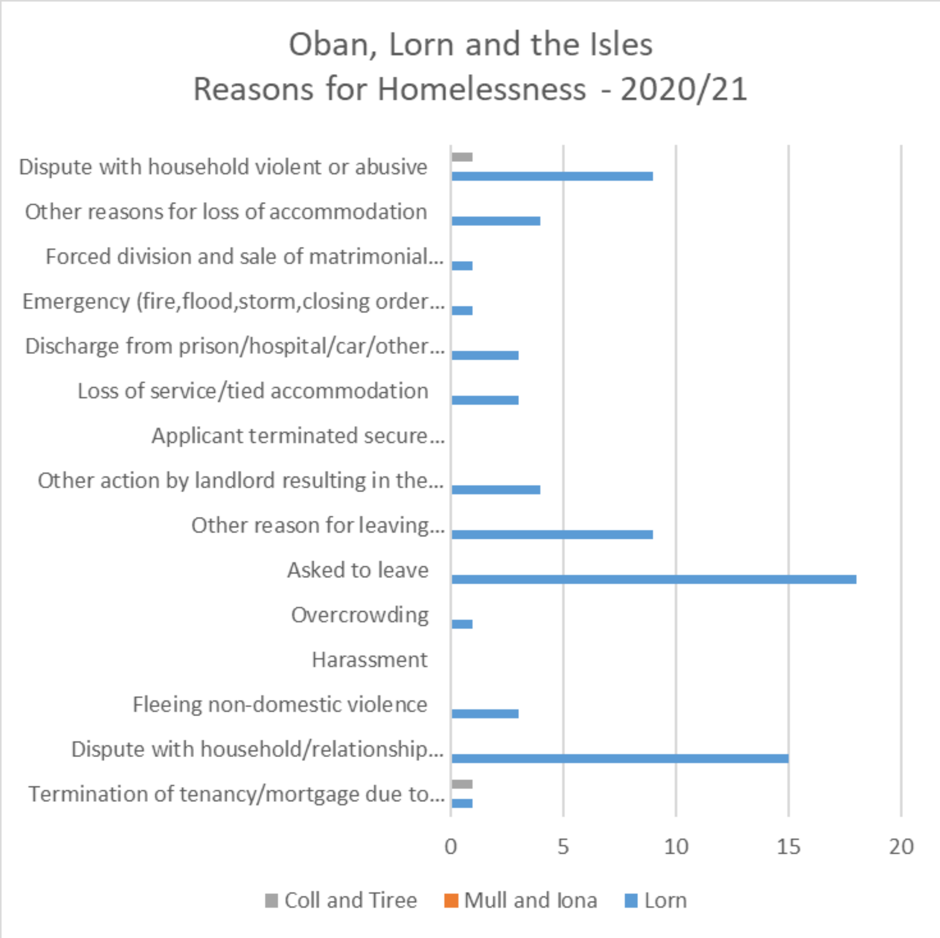
During 2020/21, there were 80 homeless cases closed in the Oban, Lorn and the Isles area. 79 of the cases were in the Oban area and 1 case was on Mull.

The incidence of homelessness has reduced by 26% (99 down to 74) in the Oban, Lorn and the Isles area during 2020/21. These applications included 1 homeless application in Tiree.

The figures below illustrate the number of homeless applications and cases closed for the period from 2017/18 to 2020/21.



The main reasons for presenting as Homeless last year were “disputes with family/relationship breakdown”, “disputes with household violent or aggressive”; “other reasons for loss of accommodation” and “being asked to leave”. Oban, Lorn and the Isles saw a number of cases due to persons being “discharged from institutions” (such as prison, hospital or care for instance); a number of cases involving “other reasons for leaving”; and also “other reasons for loss of accommodation”.



Rough Sleeping

The Oban, Lorn and Isles area experienced a reduction in the incidence of rough sleeping over the same period last year, with 5 cases (-4) in total across the area reporting that they slept rough the night preceding their presentation and 5 (-12) reporting that they had slept rough in the 3 months preceding their homeless application. These were disaggregated as follows:-

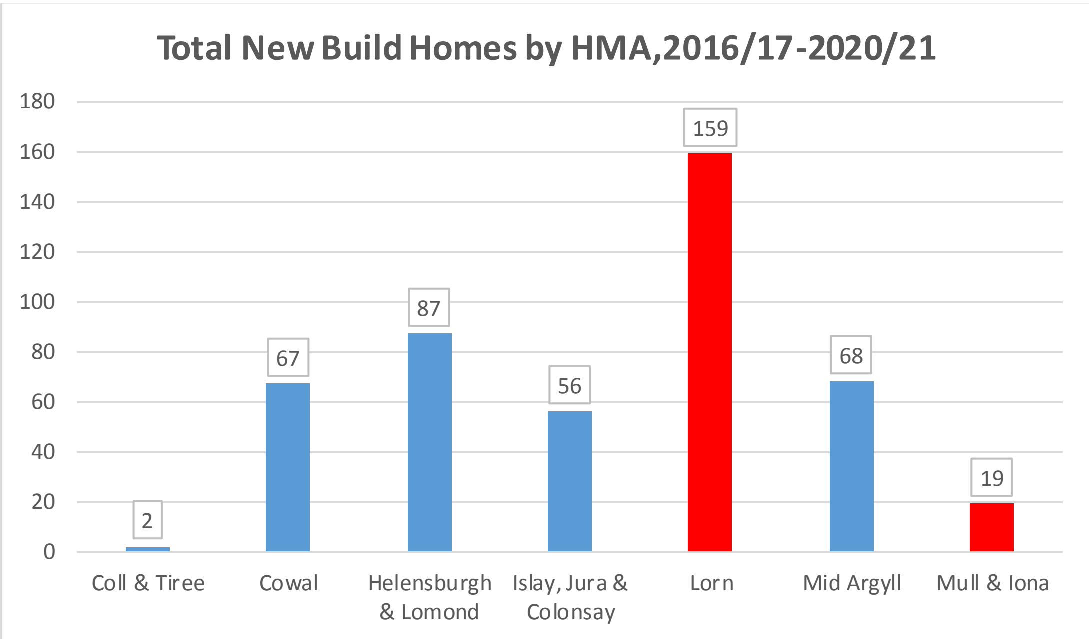
AREA	Number of Rough Sleepers in 2020/21	
	Night Before Application	3 Months Prior to Application
Oban, Lorn area	5	5
Mull and Iona	0	0
OLI Total	5	5
Argyll & Bute	23	42

4.4 **AFFORDABLE HOUSING SUPPLY**

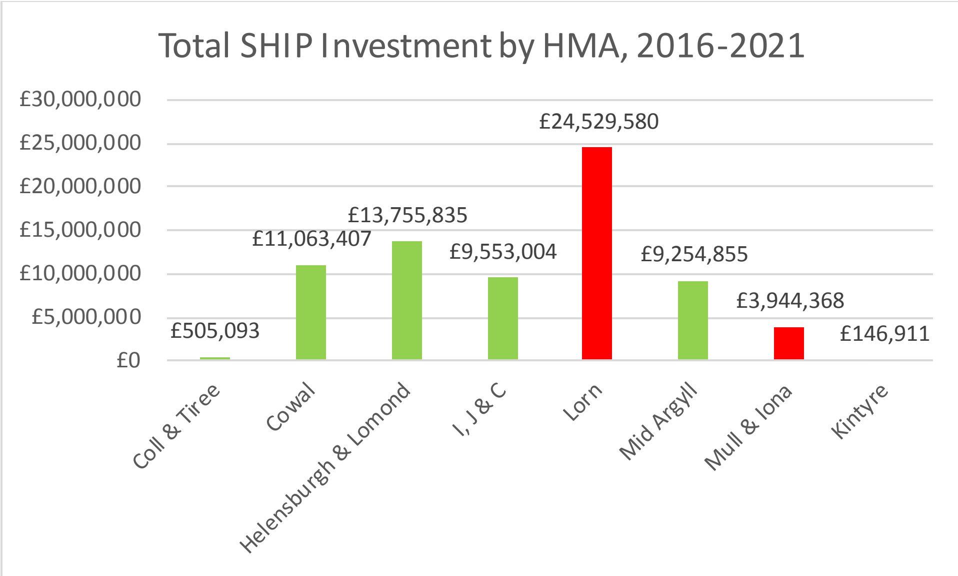
The Strategic Housing Investment Plan (SHIP) delivered 22 new affordable homes in Oban, Lorn and the Isles in 2020/21, including 10 in Barcaldine (6 for social rent and 4 for shared equity) and the final 12 units at the Glenshellach site in Oban, carried over from the previous year. The investment in Glenshellach was included in total in the previous year's report, therefore total investment in completed OLI projects in 2020/21 amounted to £1.442m.

RSL	PROJECT	Units	Funding
ACHA	Glenshellach, Oban (Final tranche of phases 11-13)	12	(costs included in project total for previous year)
WHHA	Barcaldine	10	£1,442,904
Oban, Lorn and the Isles Total		22	-£1,442,904

Cumulatively over the full 5 years of the 2016-2021 LHS, which is now completed, there have been 178 new affordable homes built in Oban Lorn and the Isles amounting to 39% of the five-year total for Argyll and Bute.



Over the last 5 years, SHIP investment has amounted to £28.474m in Oban, Lorn and the Isles; 39% of the total five-year investment in Argyll and Bute.



SHIP Projects – Completed/Anticipated Completions in 2021/22

Project address	Developer	Units	Anticipated / Actual Completion Date
Kirk Road, Dunbeg*	WHHA	4*	April 2021
Dunbeg (Phase 3)*	LINK	57*	Dec. 2021
Dunbeg (Phase 3 carry forward)	LINK	243	2022
OLI 2021/22 Total Completions (est.)		**304**	**2022**

***Now Complete**

Furthermore, MICT acquired Pennyghael Schoolhouse, in the south of Mull, in 2021 with funding from the Scottish Land Fund, Argyll & Bute Council and Ecology Building Society, to provide a fully refurbished and renovated affordable family home in the area.

In addition, further sites/projects in the Oban, Lorn and the Isles area which are in early stages of development and may be programmed in the SHIP include:

ACHA	North Connel Phase 2(2 units currently on hold) Mull – Craignure, Salen, Dervaig – subject to further feasibility Appin & Connel – pending further analysis
LINK	“Hospital Site”, Oban (50 units – subject to further feasibility) Lonan Drive, Oban (44 units by 2024) Dunbeg, Phases 4,5 & 6 (150 units in total by 2025) Glencruitten, Oban (100 units in total by 2026 subject to agreement)
WHHA	Tobermory, Mull Phase 3 (12 units) Port Appin (6 units)

4.5 **EMPTY HOMES**

In 2020/21 there were 3 private empty homes brought back into use in OLI, with the assistance of the Empty Homes Officer, amounting to 10% 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 OLI 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 October reports.

OLI Council tax data as at 01.01.22	Number of properties on Council Tax register	Empty Homes	Properties subject to 200% council tax levy	Total EMPTY
Lorn	8,805	86	77	163
Mull & Iona	1,895	22	38	60
Coll & Tiree	686	3	22	25
OLI TOTAL	**11,386**	**111**	**137**	**248**

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 OLI there are 375 properties which are empty and exempt from Council Tax. The most common categories for empty properties include:

- Class 22A = Occupied by SMI (**106**)
- Class 4A = Properties recently occupied but now empty and unfurnished (**94**)
- Class 6A = Deceased owners – where estate has not been settled (**74**)
- Class 10A= Occupied by students (**53)**

Other empty categories include:
Class 14A= Agricultural dwelling (10);
Class A5= Living/detained elsewhere (11);
Class 26A=Care leavers (7);

Second Homes

As at 1st October 2020 there were 792 registered second homes in Oban, Lorn and the Isles. This figure represents 28% of the total number of second homes in Argyll and Bute.

4.6 PRIVATE SECTOR HOUSING GRANT - ADAPTATIONS

In 2020/21, there were a total of 15 private sector properties adapted with PSHG aid in Oban, Lorn and the Isles (mainly in Lorn, with 1 in Coll & Tiree) and a total of 17 individual adaptations installed.

PSHG ADAPTATION COMPLETIONS 2020 -2021								
HMA	Grant Value	Works Value	ADAPTATION INSTALLED					
			Ramp	Stairlift	Access	Bathroom Adaptation	Hoist
Lorn	£91,306.55	£105,623.85	0	2	3	10	1
Coll & Tiree	£456.00	£570.00	0	0	1	0	0
Mull & Iona	£0	£0	0	0	0	0	0
TOTALS	**£91,762**	**£106,193**	**0**	**2**	**4**	**10**	**1**

4.7 PRIVATE SECTOR HOUSING GRANT – REPAIRS & IMPROVEMENTS

In 2020/21, there were no PSHG repair and improvement grants completed in OLI, due to covid restrictions and the impact of lockdown(across Argyll and Bute, the total was 16).

4.8 ENERGY EFFICIENCY (HOME ENERGY EFFICIENCY PROGRAMME: AREA BASED SCHEME – HEEPS:ABS)

There were 252 energy efficiency measures installed across Argyll and Bute in 2020/21 via the HEEPS:ABS programme; and 7% of these measures (18) were in Oban, Lorn & the Isles. In total, 13 properties were improved across the Oban, Lorn and the Isles area, at a total cost of £68,658. Grant aid in support of this work amounted to £67,953, 99% of the total costs.

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

Area	Likelihood of Households in	
	Fuel Poverty	**Extreme Fuel Poverty**
Lorn	27%	11%
Mull and Iona	25%	10%
Coll and Tiree	27%	15%
Argyll and Bute	27%	15%
Scotland (SHCS)	25%	12%

4.9 **LOCAL HOUSING STRATEGY (LHS) 2022-2027**

As the strategic housing authority for Argyll and Bute, the Council has a statutory duty to develop, implement and monitor a Local Housing Strategy over a five-year planning cycle, based on a robust and credible Housing Need and Demand Assessment (HNDA) for the area. Following completion of the previous Argyll and Bute LHS (2016-2021) last year, a comprehensive revision and update of the strategy has been approved by the council and is due to be formally launched in March 2022. The planning process was based on a robust process of consultation and stakeholder engagement, which has been acknowledged as an exemplar model for other local authorities by the Scottish Government, the CHMA, and the Scottish Housing Network LHS Forum.

The revised HNDA was approved as "robust and credible" by the Scottish Government's CHMA in 2021, and this has informed the revised Housing Supply Targets set out in the new LHS. These targets are based on a positive demographic and economic growth scenario for Argyll & Bute and include ambitious and challenging Housing Supply Targets for the Lorn, Mull & Iona, and Coll & Tiree HMAs over the next 5 years and beyond. Progress with these targets and the new LHS Action Plan will be reported on an annual basis to this area committee.

5.0 CONCLUSION

5.1 This report provides the detail of the Council Housing Services team activity in the Oban, Lorn and the Isles area and an overview of the progress achieved with the Local Housing Strategy Action Plan. 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 system which meets the needs of the communities we serve.

6.0 IMPLICATIONS

6.1 Policy - Complies with approved SHIP and Local Housing Strategy.
6.2 Financial - none arising from this report.
6.3 Legal - we have a statutory duty to deliver statutory housing functions.
6.4 HR – none.
6.5 Fairer Scotland Duty: positive in terms of delivering affordable housing.
- 6.5.1 Equalities - protected characteristics – none.
- 6.5.2 Socio-economic Duty - positive in terms of delivering affordable housing.
- 6.5.3 Islands – positive in terms of delivering affordable housing on the islands

6.6. Climate Change – the strategy and housing service deliver positive impacts for energy efficiency and climate change.
6.7 Risk – none.
6.8 Customer Service – none.

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

Policy Lead, Councillor Robin Currie

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For further information contact:

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

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

APPENDICES

Appendix 1 – Extract from LHS 2022 - 2027 (data as of 2021) Lorn
Appendix 2 – Extract from LHS 2022 - 2027 (data as of 2021) Mull & Iona
Appendix 3 – Extract from LHS 2022 - 2027 (data as of 2021) Coll & Tiree

Appendix 1 - Extract from LHS 2022 - 2027 (data as of 2021) Lorn

Lorn

Population	16,053
Households	7,648
Dwellings	8,604
Ineffective Stock (%)	8%
RSL Stock	1,649
Waiting List Applicants	737
RSL Lets (2019/20)	139
Pressure Ratio	5:1
Lower Quartile House Price	£120,000
Lower Quartile Income	£17,892
LQ Affordability Ratio	6.7

LORN HMA is centred on Oban and includes a number of the small, inner isles such as Easdale, Luing and Lismore. Despite the influence of in-migration, it is the most self-contained housing market in Argyll & Bute with 64% of house sales going to local residents. There was limited interaction with neighbouring HMAs in the local authority (3%) but over 17% of demand is from the rest of Scotland and over 13% from the UK. Overseas house purchasers have only marginal impact in this area, at just over 1% of sales. Average house prices are comparatively high and affordability remains an issue, with a high price-to-income ratio of 6.7 (lower quartile). There has been significant development activity in recent years, and the total dwelling stock increased by 8% between 2015 and 2020, with significant new builds in development or in the pipeline, particularly at Dunbeg. Lorn has 18% of the total housing stock in Argyll and Bute. However, 8% of the stock comprises second/holiday homes and long-term vacant properties. With 1,649 RSL homes in 2020 the area also has the highest provision of social rented stock – over 19% of the authority total. Nevertheless, this area still has the largest waiting list in Argyll and Bute by far, as well as one of the higher levels of homelessness (30% and 18% respectively of the authority totals). In addition HNDA analysis suggests that this area has the second greatest level of backlog need (21% of total backlog need).

Key issues for Lorn HMA:

Increasing the supply of affordable housing remains a critical priority for this HMA.
The provision of Housing Options advice and information; and targeted Tenancy Support also remains important.
Fuel poverty is an issue and improving energy efficiency will be important too.
Ensuring that sufficient specialist provision (accommodation, adaptations, support services etc.) is available to meet the requirements of the ageing population and those with particular needs will also be key to a well-balanced, effective housing system.

Appendix 2 – Extract from LHS 2022 - 2027 (data as of 2021) Mull & Iona

Mull & Iona	
Population	3,054
Households	1,524
Dwellings	1,851
Ineffective Stock (%)	15%
RSL Stock	236
Waiting List Applicants	113
RSL Lets (2019/20)	20
Pressure Ratio	6:1
Lower Quartile House Price	£129,375
Lower Quartile Income	£18,189
LQ Affordability Ratio	7.1

MULL AND IONA are combined for planning purposes as one HMA. As a housing market area, these islands exhibit the lowest level of self-containment in the authority area apart from Coll & Tiree, with less than 45% of house sales going to local purchasers. Around 16% of properties are bought by persons from elsewhere in Scotland; and over a third of all sales (34%) are to purchasers originating elsewhere in the UK, by far the highest proportion of any HMA in Argyll and Bute. Interaction with the rest of the authority is minimal with only 1.4% of sales originating in another local HMA. Mull & Iona have among the highest house prices in Argyll & Bute, well above the average for the authority as a whole and 3 times higher than Bute for example; and along with Islay, Jura & Colonsay; and Coll & Tiree, this is one of the least affordable housing markets for local residents. This area has seen less than 1% rate of growth in total stock, between 2015 to 2020; despite a range of RSL and community-led projects being proposed and progressed in recent years. This still amounts to only 4% of the total dwellings in Argyll & Bute. There is also a high proportion of ineffective stock here, with second/holiday homes and long-term vacant properties making up 15% of the total (albeit this is significantly lower than the last census recorded). The social rented sector totalled 236 homes in 2020, less than 3% of the sector total for Argyll & Bute as a whole and around 13% of the total housing stock on the two islands. There are around 6 applicants for every available let in the area, one of the higher pressure ratios in the authority.

Key issues for Mull & Iona HMA:

A small-scale targeted programme of affordable new build housing will help to sustain remote island communities.
Tackling fuel poverty and improving energy efficiency remain key targets; and ensuring sufficient specialist provision is available to meet the requirements of those with particular needs will also be important.

Appendix 3 – Extract from LHS 2022 - 2027 (data as of 2021) Coll & Tiree

Coll & Tiree

Population	753
Households	452
Dwellings	680
Ineffective Stock (%)	32%
RSL Stock	54
Waiting List Applicants	19
RSL Lets (2019/20)	3
Pressure Ratio	6:1
Lower Quartile House Price	£128,750
Lower Quartile Income	£16,644
LQ Affordability Ratio	7.7

Coll & Tiree constitute the smallest HMA in the authority, and are most affected by house purchasers from out with the area – less than 20% of sales are to local residents, with almost half of purchasers originating elsewhere in Scotland and a further quarter from elsewhere in the UK. More house buyers originate from overseas (5.6%) than from the rest of Argyll & Bute itself (1.4%). Average house prices have been among the highest in Argyll & Bute (albeit the number of sales are very small) and this area has been one of the least affordable to local households with the highest price–to-income affordability ratio of 7.7. Since 2015, the total number of dwellings on the islands increased by almost 8% while the number of households increased by around 12%. Proportionately, this HMA has the highest level of ineffective stock in Argyll & Bute, by far, with almost a third being second/holiday homes or long-term vacant properties. In 2020 there were 54 social rented homes, which amounts only 0.6% of the total RSL sector in the authority. Demand for RSL properties is numerically low but given the limited turnover in existing stock the pressure ratio remains high at 6:1 (i.e. 6 applicants per available let).

Key issues for Coll & Tiree HMA:

There is evidence of unmet need on these islands and minimal new build in recent years. Small-scale development of affordable housing for social rent could help to address the demand.
The requirement for some form of specialist provision, particularly on Tiree, remains a potential gap which could be addressed by joint working between Housing and the Health & Social Care Partnership.
Fuel poverty and energy efficiency also remain priorities for this area.