ARGYLL AND BUTE COUNCIL **BUTE & COWAL AREA COMMITTEE**

DEVELOPMENT AND ECONOMIC GROWTH **5th MARCH 2024**

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 within the Bute and Cowal area.

This report will detail the following housing activity:-

- Declaration of a Housing Emergency
- Argyll and Bute Housing Summit
- 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 - Energy Efficiency Scotland: Area Based Scheme(EES:ABS)
- Local Housing Strategy

2.0 RECOMMENDATIONS

2.1 Members are asked to consider the content of the report.

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

3.0 INTRODUCTION

3.1 The main purpose of this report is to update Members of Housing Services activity and the delivery of the Local Housing Strategy within the Bute and Cowal area.

This report will detail the following housing activity:-

- Declaration of a Housing Emergency
- Argyll and Bute Housing Summit
- Housing Need and Demand
- Homelessness
- Affordable Housing Supply - Strategic Housing Investment Programme
- Empty Homes
- Private Sector Housing Grant Adaptations
- Private Sector Housing Grant Repairs and Improvements
- Energy Efficiency – Energy Efficiency Programme: Area Based Scheme
- Local Housing Strategy

4.0 RECOMMENDATIONS

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

5.0 DETAIL

5.1 As the Strategic Housing Authority, 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. Full Council approved the LHS 2022-27 in December 2021. It is subject to annual updates, which are published on the Housing Strategy pages of the Council website.

The 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 details the housing activity taking place in Bute & Cowal.

5.2 Declaration of a Housing Emergency

In June 2023, following a report to the Environment, Development and Infrastructure Committee, Argyll and Bute Council became the first local authority to declare a housing emergency. A number of key statistics informed the emergency:

- In 2023 there were just under 3,300 people on social rented housing waiting lists, representing an increase of 8% since the previous year.
- The average housing price in 2022 was £206,000 which is 7 times the average income level in Argyll and Bute.
- 11% of all homes are ineffective stock, with 6% second homes and 4% empty.
- 42% of the property sales are made to people living out with the Argyll and Bute area.
- There were 131 private house completions in the last 5 years representing only 17% of the expected rate.
- Constructions costs have seen a 22% increase in 2022 with island construction costs significantly higher. This trend is continuing currently.
- 92% of residents responding to the Housing Emergency survey said that housing shortage was having an impact on their community
- Of employers who responded to the workforce housing survey, 75% said a shortage of housing was a barrier to recruiting or retaining staff

5.3 Argyll and Bute Housing Emergency Summit

An action within the committee report was to hold an Argyll and Bute Housing Emergency Summit in response to the housing emergency, and this took place on the 27th November 2023 at the SAMS campus in Oban. The purpose of the Summit was to bring partners together to forge commitments aimed at tackling housing shortage by maximising resources, pursuing innovation, coordinating planning and targeting delivery capacity.

An Action Plan is currently being developed and it is anticipated that this will be refined and presented to members in the next few months.

5.2 HOUSING NEED & DEMAND IN BUTE & COWAL

HOMEArgyll WAITING LIST November 2023 – Active Applicants (excluding those with 0 points/no defined need)					
	Minimum Bedroom Size Required				**TOTAL**
	0/1beds	**2beds**	**3beds**	**4+beds**	
Bute	104	25	18	8	155
Cowal	177	98	42	30	347
B & C TOTAL	281	123	60	38	502

In addition there were 78 applicants for Bute and 167 for Cowal who received nil points according to the Common Allocation Policy and therefore would be deemed to have no housing need.

For Bute & Cowal as a whole, the main requirement (56%) is for one bedroom properties, while 24% require 2 bedrooms; 12% require 3 bedrooms; and 8% 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.

	HOMEArgyll Applicants	**RSL Lets 2021/22 (HOMEArgyll only)**	**Pressure Ratio**
Bute	155	105	2:1
Cowal	347	110	3:1
B & C TOTAL	502	215	2:1

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.

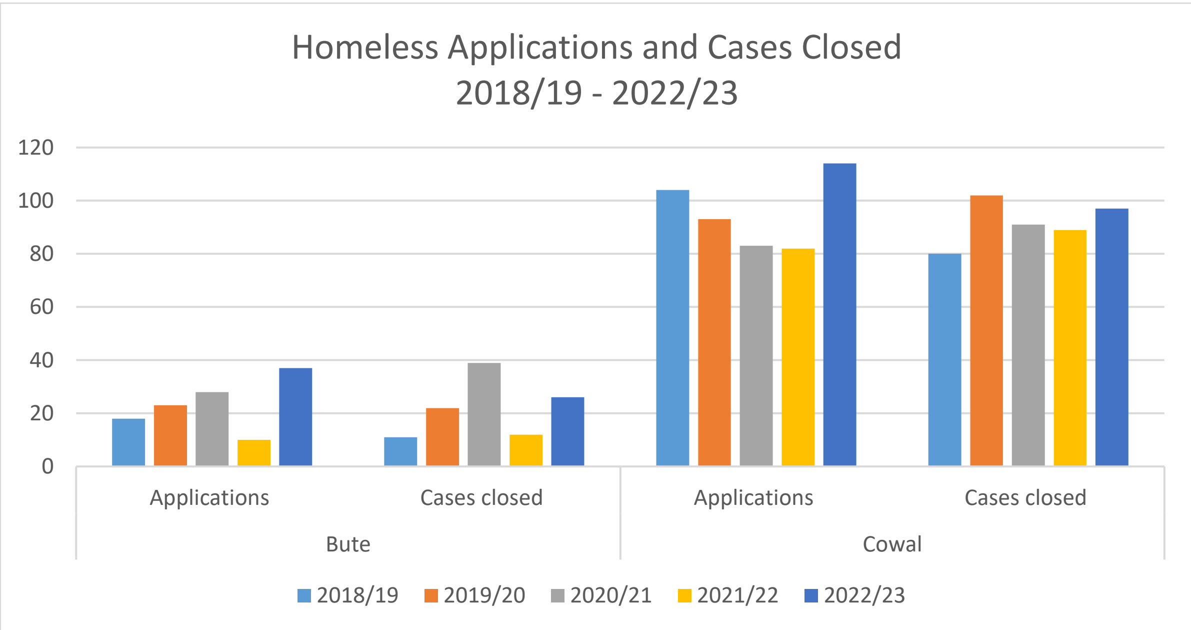
The fully revised Argyll & Bute HNDA 2021 takes account of a wide range of factors to determine existing need and future demand for new build housing, and demographic projections have a critical role in this assessment. Although the default population projections suggest a significant and continuous 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, 16% of the Argyll & Bute Housing requirement would be apportioned to Cowal and 6% to Bute; and over the next 5 years this could amount to around 340 new builds across all tenures for the Bute & Cowal area as a whole.

5.3 **HOMELESSNESS**

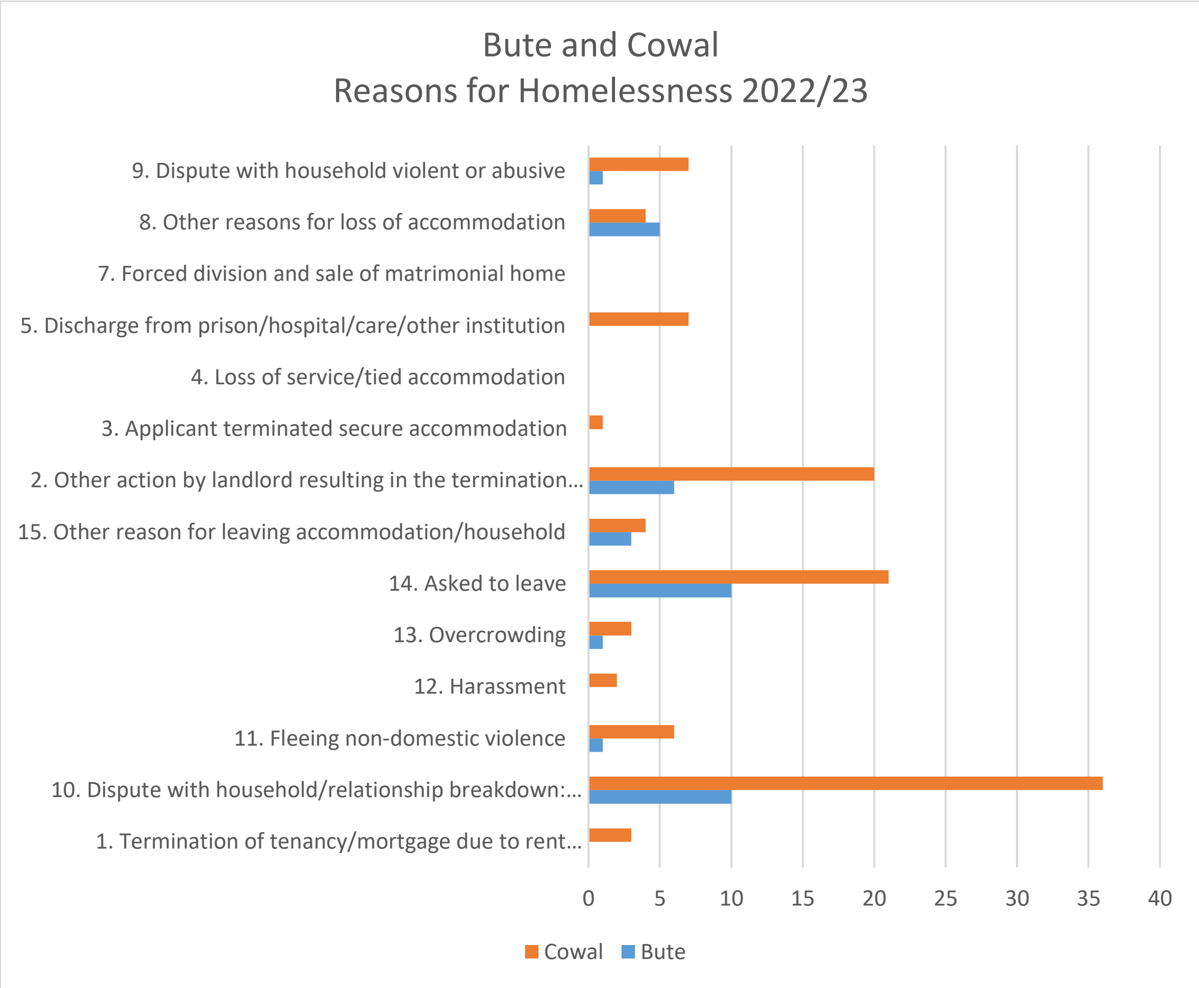
There were 188 homeless presentations across Bute and Cowal in 2022/23. This was an increase from 92 applications in 2021/22 (104%). There was an increase of 270% (37 up from 10) in homeless presentations on Bute during 2022/23. There was an increase of 18% in Cowal (114 up from 97).

During 2022/23, there were 26 homeless cases closed on Bute; and 97 in Cowal.

The figures below illustrate the number of homeless applications and cases closed for the period from 2018/19 to 2022/23.



The main reasons for presenting as Homeless last year were “disputes with family/relationship breakdown”, “other action by landlord resulting in termination of tenancy”; and “being asked to leave”.



Rough Sleeping

Bute and Cowal experienced no overall change in the incidence of rough sleeping over the same period last year, with 4 cases (-3) in total across the area reporting that they slept rough the night preceding their presentation but 15 (+3) 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 2022/23	
	Night Before Application	3 Months Prior to Application
Bute	1	3
Cowal	3	12
B&C Total	4	15
Argyll & Bute	**26**	**36**

5.4 **AFFORDABLE HOUSING SUPPLY**

This continues to be a very challenging period for the construction sector and there is ongoing slippage in the new build programme due to disruption and shortages with materials and staffing. There were no Strategic Housing Investment Plan (SHIP) developments in Cowal and Bute during the reporting period of this report.

However, further sites/projects in the Cowal area are being progressed or in early stages of development and may be programmed in the SHIP in the future include:

ACHA	Eton Avenue, Dunoon – 4 units for particular needs, completed 2023 Dunoon phases 1-4 – 120 units in SHIP; 2026/29
Fyne Homes	Rothesay Academy site phases 1 and 2, Rothesay – site acquired March 2023, 80 units in SHIP; 2027/29 Ballochgoy, Rothesay – 8 units to be delivered in 2023/24 Tighnabruaich phase 2 – 10 units included in SHIP; 2028/29 Rothesay acquisitions – 8 units; 2024/25
Trust Housing Association	Redevelopment of housing complex at Strachur

5.5 **EMPTY HOMES**

In 2022/23 there were **13** private empty homes brought back into use in Bute & Cowal, amounting to **32%** of all empty homes brought back into use across Argyll and Bute last year with assistance of Empty Homes Officer (41).

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 Bute & Cowal 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 November 2022 reports.

BUTE & COWAL **Council tax data as at 01.11.23**	**Number of properties on Council Tax register**	**Empty Homes**	**Properties subject to 200% council tax levy**	**Total EMPTY**
Isle Of Bute	4,374	73	86	**159**

Cowal	8,836	110	140	**250**
B & C TOTAL	**13,210**	**183**	**226**	**409**

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 Bute & Cowal there are **443** properties which are empty and exempt from Council Tax. The categories for empty properties include:

- Class 4A = Properties recently occupied but now empty and unfurnished (**222**)
- Class 7A = Dwellings Empty Under Statute – Closing or Demolition Order (**32**)
- Class 6A = Deceased owners – where estate has not been settled (**138**)
- Class 8A= Held for demolition (**16**);
- Class 5A= Living/detained elsewhere (**24**);
- Class 19A= Difficult to let separately (**1**);
- Class 2A= Unoccupied-renovation (**7**);
- Class 13A= Repossessed dwelling (**3**)

Second Homes

As at 1st November 2023 there were **479** registered Second Homes on Bute and **596** in Cowal. The number second homes for Bute and Cowal (**1,075)** represents **35%** of the total number of Second Homes in Argyll and Bute (3,052).

Self-Catering Lets

As at 3rd November 2022 there were **478** self-catering lets on the Rates register in the Bute & Cowal area. **20**% of the Argyll and Bute total (2,341).

Bute & Cowal Rates data as at 01.03.23	**Number of self-catering properties**
Bute	117
Cowal	361
Bute & Cowal TOTAL	**478**

5.6 **PRIVATE SECTOR HOUSING GRANT – ADAPTATIONS**

In 2022/23, there were 17 individual updates installed in Bute & Cowal with PSHG aid.

	PSHG ADAPTATION COMPLETIONS 2022 -2023

HMA	Grant Value	Works Value	ADAPTATION INSTALLED						
			Ramp	Stair lift	Access	Hoist	Bathroom Adaptation	Wash and Dry Unit	External Drainage Collection
Bute	£44,100.47	£52,612.98	1	0	1	0	4	0	0
Cowal	£53,659.43	£61,316.07	0	2	1	1	6	1	0
TOTALS	£97,759.90	£113,929.05	1	2	2	1	10	1	0

5.7 PRIVATE SECTOR HOUSING GRANT – REPAIRS AND IMPROVEMENTS

In 2022/23, there were a total of 12 PSHG repair and improvement grants completed in Bute & Cowal, (across Argyll and Bute, the total was 57). Total cost of the works was £135,108 of which PSHG covered £46,634.

5.8 ENERGY EFFICIENCY (ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME (EES:ABS))

There were 78 individual energy efficiency measures fitted across Bute & Cowal in 2022/23 via the EES:ABS programmer.
In total, 111 properties were improved across the area, at a total cost of £604,589. Grant aid in support of this work amounted to £539,864.

Current estimates of local Fuel Poverty are based on Home Analytics data (Scottish figures sourced from The Scottish Fuel Poverty Advisory Panel):-

Area	Likelihood of Households in	
	Fuel Poverty	**Extreme Fuel Poverty**
Bute	30%	26%
Cowal	28%	21%
Argyll and Bute	30%	25%
Scotland	34%	23%

5.9 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 was formally launched in April 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 Cowal and Bute HMAs over the next 5 years and beyond.

The Local Housing Strategy is subject to annual updates and the 2023 update can be found in the Housing Strategy pages of the Council website (https://www.argyll-bute.gov.uk/sites/default/files/2023LHSupdate)

6.0 CONCLUSION

6.1 This report provides the detail of the Council Housing Services team activity in the Bute and Cowal area and outlines progress with the Local Housing Strategy. 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. The scale of the challenge is shown in statistical evidence and the declaration of the Housing Emergency and the subsequent Housing Emergency Summit has shown that many concerns are common across agencies and communities.

7.0 IMPLICATIONS

7.1 Policy - Complies with approved SHIP and Local Housing Strategy.
7.2 Financial - none arising from this report.
7.3 Legal - we have a statutory duty to deliver statutory housing functions.
7.4 HR – none.
7.5 Fairer Scotland Duty: positive in terms of delivering affordable housing.
- 7.5.1 Equalities - protected characteristics - none
- 7.5.2 Socio-economic Duty - positive in terms of delivering affordable housing.
- 7.5.3 Islands – positive in terms of delivering affordable housing on the islands.

7.6. Climate Change – the strategy and housing service deliver positive impacts for energy efficiency and climate change.
7.7 Risk – none.
7.8 Customer Service – none.
7.9 The Rights of the Child (UNCRC) – the housing activity described in the report will deliver affordable housing for families with children

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APPENDICES
Appendix 1 – Extract from LHS 2022 - 2027 (data as of 2021) Cowal
Appendix 2 – Extract from LHS 2022 - 2027 (data as of 2021) Bute

Appendix 1 - Extract from LHS 2022 -2027 (data as of 2020) Cowal

Cowal

Population	14,003
Households	7,362
Dwellings	8,722
Ineffective Stock (%)	11%
RSL Stock	1,476
Waiting List Applicants	400
RSL Lets (2019/20)	131
Pressure Ratio	3:1
Lower Quartile House Price	£65,375
Lower Quartile Income	£14,617
LQ Affordability Ratio	4.5

Cowal is projected to see a significant demographic decline if recent trends continue. It is the mainland housing market most influenced by house purchasers from out with Argyll and Bute – only 44% of sales in the area are to local residents. Average house prices have actually been lower than most other HMAs in Argyll and Bute in recent years, while household incomes are roughly average for the authority, making this one of the relatively affordable housing market areas within the authority. Since 2015 the total dwelling stock increased by over 5%, and currently Cowal accounts for 18% of the authority's housing. At the time of the last LHS, in 2015, almost 14% of the dwelling stock was deemed ineffective to meet local needs, i.e. second/holiday homes and long-term vacant properties. This has improved to 11% of the total, albeit this remains a substantial proportion of the housing stock. Over the last five years RSL homes have increased by around 3%, bringing the total social rented stock in 2020 to 1,476 which is 17% of the Argyll and Bute sector total. There are approximately 3 waiting list applicants for every available let, and 20% of all homeless cases are located here; therefore it is evident that despite some development activity and historic population decline, a degree of unmet need remains. Parts of rural Cowal also fall within the planning remit of the Loch Lomond & Trossachs National Park, and issues regarding high levels of second/holiday homes, and affordability for permanent residents are often exacerbated in these areas.

Key issues for Cowal HMA:

Although the rate of population decline would suggest that a surplus supply might be generated from within existing housing stock and therefore the need for new build would be minimal; nevertheless there are ongoing levels of unmet need in terms of long waiting lists and relatively high homelessness, and a judicious, strategically planned programme of new build could in fact help to support economic growth and reverse the population decline as well as addressing specific unmet needs, such as demand for specialist accommodation.

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

Bute

Population	5,981
Households	3,372
Dwellings	4,247
Ineffective Stock (%)	19%
RSL Stock	1,054
Waiting List Applicants	148
RSL Lets (2019/20)	172
Pressure Ratio	0
Lower Quartile House Price	£45,000
Lower Quartile Income	£11,093
LQ Affordability Ratio	4.0

Bute HMA is one of the least self-contained housing markets in Argyll and Bute, with only 38% of house sales being to local residents. Almost 35% of purchasers originate elsewhere in Scotland. Despite the lowest average household income in Argyll & Bute, historically it has been by some way the most affordable area in the authority with a local price to income ratio of 4.0. Over the course of the last LHS, the number of dwellings increased very marginally (0.4%), although total RSL stock has declined (due to a demolition/reconfiguration programme), while the number of households decreased by around 1%. Over 19% of the general housing stock is unavailable to meet local need i.e. second/holiday homes or long-term vacant. While evidence remains of potential over-supply in the RSL sector - with relatively high annual turnover, areas of low demand, and the main landlords sustaining a number of voids– nevertheless there are indications of increased market activity and growing pressures.

Key issues for Bute HMA:

The main focus for Bute remains maintaining, repairing, improving and managing the existing stock, across all tenures.
However, emerging perceptions on the island suggest that need for additional, affordable housing may be growing as greater pressures are becoming evident with increased market activity and more properties potentially being lost from the effective, permanent housing stock.
Tackling fuel poverty, improving energy efficiency and targeting Housing Options advice and assistance remain priorities; as does supporting those with particular needs to remain independent in their home or within the community as far as possible.