ARGYLL AND BUTE COUNCIL

MAKI AREA COMMITTEE

DEVELOPMENT AND ECONOMIC GROWTH

28th February 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 Mid Argyll, Kintyre and the Islands area.

This report will detail the following housing activity:-

- Declaration of a Housing Emergency and Housing Summit 2023
- 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

RECOMMENDATIONS

Members are asked to consider the content of this report.

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

2.0 INTRODUCTION

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

This report will detail the following housing activity:-

- Declaration of a Housing Emergency and Housing Summit 2023
- 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

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, 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 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 Mid Argyll, Kintyre and the Islands.

4.2 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

4.3 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.

4.4 HOUSING NEED AND DEMAND

HOMEArgyll WAITING LIST November 2023 – Active Applicants (excluding applicants with 0 points i.e. no need)					
	Minimum Bedroom Size Required				TOTAL
	0/1beds	2beds	3beds	4+beds	
Mid Argyll	125	54	22	14	**215**
Kintyre	87	29	15	8	**139**
Islay, Jura & Colonsay	84	40	21	5	**150**
MAKI TOTAL	**296**	**123**	**58**	**27**	**504**

In addition there was a registered demand from over 235 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 100 applicants for Mid Argyll, 70 for Kintyre, and 65 for Islay, Jura and Colonsay.

For MAKI as a whole, the majority of applicants (59%) require one bedroom and 24% require 2 bedrooms, 12% require 3 bedrooms and only 5% 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.

Applicants per available RSL Let (Pressure Ratios)

	HOMEArgyll Applicants	RSL Lets 2022/23 (HOMEArgyll only)	Pressure Ratio
Mid Argyll	215	103	2:1
Kintyre	139	82	2:1
Islay, Jura and Colonsay	150	56	3:1
MAKI Total	477	241	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.

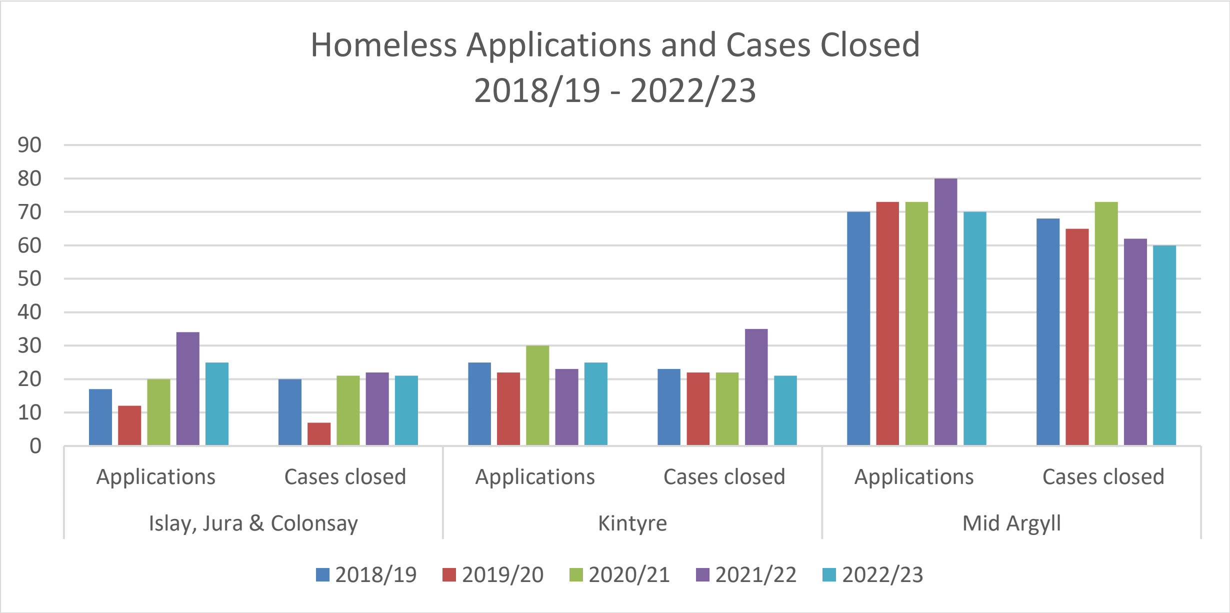
The fully revised Argyll and Bute HNDA 2021 takes account of a wide range of factors to determine existing need and future demand for new build housing, and demographic projections have a critical role in this assessment. Although the default population projections suggest a significant and continuous 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, 9% of the Argyll and Bute Housing requirement would be apportioned to Mid Argyll; 7% to Kintyre; and around 6% to Islay, Jura and Colonsay. Over the next 5 years this could amount to at least 318 new builds across all tenures for the MAKI area as a whole.

4.5 **HOMELESSNESS**

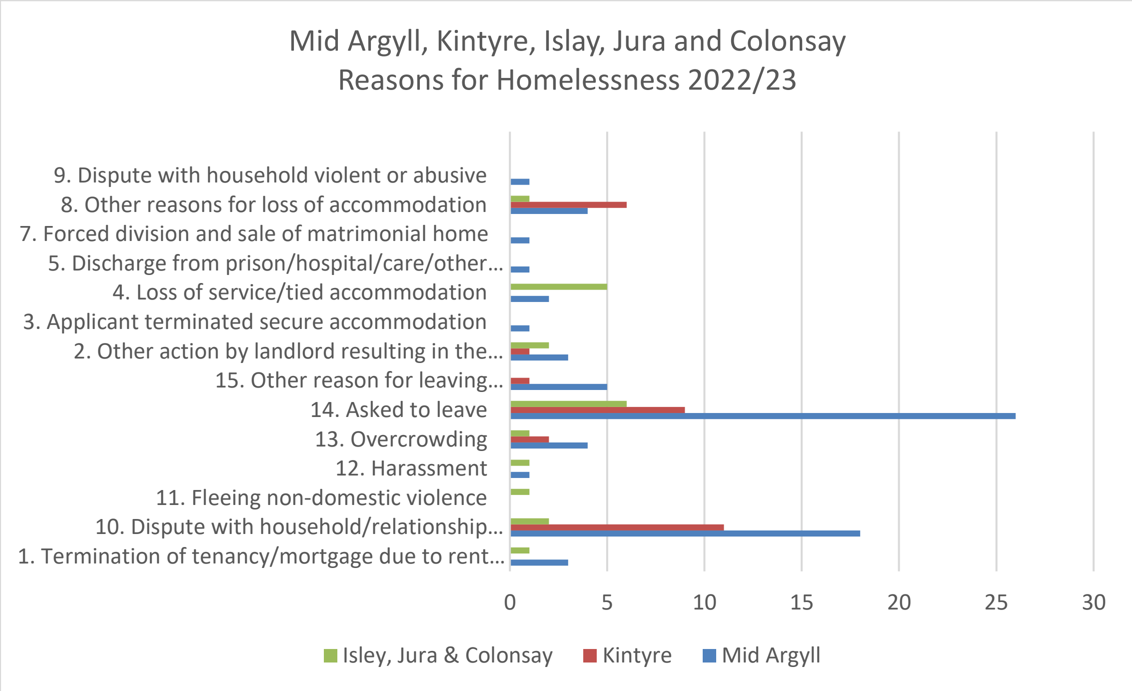
Homeless applications across the area have reduced by 12% (137 in 2021/22 to 120 for 2022/23). There was an increase of 2 applications in Kintyre but a decrease of 10 applications and Mid Argyll and decrease of 9 applications in Islay, Jura and Colonsay.

During 2022/23, there were 116 homeless cases closed In the Mid Argyll, Kintyre and Islay area: Mid Argyll – 60; Kintyre – 21 and Islay, Jura and Colonsay - 35.

The graph below illustrates 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 household/relationship breakdown”, and “being asked to leave”.



Rough Sleeping

Mid Argyll, Kintyre and Islay experienced an increase in the incidence of rough sleeping over the same period last year, with 2 cases (+2) across the area reporting that they slept rough the night preceding their presentation and 2 (+1) 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
Mid Argyll	2	2
Kintyre	0	0
Islay	0	0
MAKI total	2	2
Argyll & Bute	**26**	**36**

4.6 **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. The Strategic Housing Investment Plan (SHIP) delivered 32 new affordable homes within the MAKI area in 2022/23, comprising 8 on Islay, 10 on Jura, 10 in Inveraray and 4 in Tarbert.

RSL	PROJECT	Units	Funding
WHHA	Imeraval Phase 3	8	£ 1,354,567
WHHA	Jura	10	£ 2,234,633
ACHA	Inveraray	10	£1,912,845
ACHA	Oakhill, Tarbert	4	£903,747

Further projects in the MAKI area which are either already onsite or in early stages of development for future programming in the SHIP include:

ACHA	Dalintober (20 units – 2024/25) Bowmore Phase 4 (17 units – 2024/25) Tighcargaman, Port Ellen (50 units – 25/26) Glenmachrie, Islay (10 units – 26/27) Tarbert phase 1 (15 units – 26/27) Tayvallich (10 units – 26/27) Keills, Islay (4 units – 27/28) Tarbert phase 2 (15 units – 27/28)
WHHA	Colonsay (5 units – 2024/25) Port Charlotte(16 units – 2025/26); Imeraval Phase 4 (20 units – 2024/25) Imeraval Phase 5 (20 units – 2025/26) Port Charlotte phase 2 (17 units – 28/29)
FYNE HOMES	Inveraray (16 units – 2025/26) Baddens, Lochgilphead (6 units – 2024/25) Lochgilphead phase 6 (80 units – 27/28) Inveraray phase 2 (10 units – 27/28)

4.7 EMPTY HOMES

In 2022/23 there were **5** private empty homes brought back into use in MAKI, amounting to **12%** all the empty homes brought back into use across Argyll and Bute last year with assistance of the 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 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 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**
Islay, Jura & Colonsay	2,235	30	71	101
Mid Argyll	5,797	75	98	173
Kintyre (including Gigha)	4,216	84	84	168
MAKI TOTAL	**12,248**	**189**	**253**	**442**

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 **334** 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(**163**)
- Class 7A = Dwellings Empty Under Statute – Closing or Demolition Order (**41**)
- Class 6A = Deceased owners – where estate has not been settled (**105**)
- Class 8A= Held for demolition **(9)**
- Class 5A= Living/detained elsewhere **(13)**
- Class 19A= Difficult to let separately **(1)**
- Class 2A= Unoccupied- Renovation **(2)**

Second Homes

As at 1st November 2023 there were **269** registered Second Homes on Islay, Colonsay and Jura, **214** in Kintyre and **433** registered Second Homes in Mid Argyll. The total figure for MAKI **916** represents 30% of the total number of Second Homes in Argyll and Bute (3,052).

Self-Catering Lets

As at 1st March 2023 there were **682** self-catering lets on the Rates register in the MAKI area. **29%** of the Argyll and Bute total (2,341).

MAKI Rates data as at 01.03.23	**Number of self-catering properties**
Islay, Jura & Colonsay	274
Mid Argyll	277
Kintyre (including Gigha)	131
MAKI TOTAL	**682**

4.8 PRIVATE SECTOR HOUSING GRANT (PSHG) – ADAPTATIONS

In 2022/23, there were 11 private sector properties adapted with PSHG aid in MAKI, and a total of 22 individual adaptations installed.

	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**
Kintyre	£21,315.67	£25,405.84	0	1	1	0	3	0	0
Mid Argyll	£53,819.45	£66,695.56	0	1	1	0	7	1	1
Islay, Jura & Colonsay	£34,876.75	£40,488.50	1	1	3	0	1	0	0
TOTALS	£110,011.87	£132,589.90	1	3	5	0	11	1	1

4.9 PRIVATE SECTOR HOUSING GRANT – REPAIRS AND IMPROVEMENTS

In 2022/23, there was 1 PSHG grant completed in MAKI, (across Argyll and Bute, the total was 57). Total cost of the works was £17,350 of which PSHG covered £2,602.

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

There were 150 individual energy efficiency measures fitted across MAKI in 2022/23 via the EES:ABS programme.
In total, 94 properties were improved across the area, at a total cost of £720,698. Grant aid in support of this work amounted to £616,631.

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

Area	Likelihood of Households in	
	Fuel Poverty	Extreme Fuel Poverty
Islay, Jura and Colonsay	35%	40%
Kintyre	30%	24%
Mid Argyll	27%	29%
Argyll and Bute	30%	25%
Scotland (SHCS Figure)	34%	23%

4.11 **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 and Bute and include ambitious and challenging Housing Supply Targets for the Mid Argyll, Kintyre, and Islay, Jura and Colonsay 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)

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 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. 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.

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.
6.9 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 2020) Islay, Jura & Colonsay
Appendix 2 – Extract from LHS 2022 - 2027 (data as of 2020) Kintyre
Appendix 3 – Extract from LHS 2022 - 2027 (data as of 2020) Mid Argyll

Appendix 1 – Extract from LHS 2022 - 2027 (data as of 2020) Islay, Jura & Colonsay

Islay, Jura & Colonsay

Population	3,344
Households	1,740
Dwellings	2,180
Ineffective Stock (%)	16%
RSL Stock	505
Waiting List Applicants	186
RSL Lets (2019/20)	27
Pressure Ratio	7:1
Lower Quartile House Price	£136,500
Lower Quartile Income	£15,208
LQ Affordability Ratio	9.0

ISLAY, JURA & COLONSAY HMA combines the three distinct islands for strategic planning purposes. The overall population is estimated to have declined by 3% over the last five years, although individual island trends have varied. The combined total number of households for the three islands conversely appears to have increased by almost 6% suggesting increasing numbers of smaller and single-person households. The islands are not particularly self-contained housing markets with less than half (49%) of house sales going to local purchasers; and 2.4% of purchasers originating elsewhere in the authority area. Affordability is a major issue, with one of the highest price-to-income ratios in Argyll and Bute, at 9.0, and well above the standard affordability threshold. Since 2015 there has been an increase in the total number of dwellings (over 3% growth), particularly with a number of new build developments recently and ongoing on islay; but also small-scale pipeline proposals for Colonsay and Jura. Currently the islands account for 5% of the total stock in the authority. However, 16% of the stock comprises second/holiday homes or long-term vacant properties and is consequently unavailable to meet local need. In 2020 there were around 505 social rented homes across the islands which is an increase of over 14% in the sector during the last 5 years. Numerically, waiting lists may be small however turnover in the stock is also limited, therefore the pressure ratio is currently one of the highest in Argyll & Bute, with 7 applicants for every available let.

Key issues for Islay, Jura & Colonsay HMA:

- Further 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 2022 - 2027 (data as of 2020) Kintyre

Kintyre

Population	7,339
Households	3,823
Dwellings	4,171
Ineffective Stock (%)	11%
RSL Stock	1,084
Waiting List Applicants	121
RSL Lets (2019/20)	86
Pressure Ratio	1:1
Lower Quartile House Price	£56,938
Lower Quartile Income	£12,449
LQ Affordability Ratio	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 second most contained Housing Market within the authority; 64% of all house sales are to local residents and less than 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 less excessive than many other areas. Kintyre accounts for 9% of the total dwelling stock in the authority, and there was an overall increase in the stock of 8% over the last five years, after a period of relative stagnation previously. The area also has a relatively low level of ineffective stock, though at 11% of the total this is still well above national levels. In 2020, there were 1,084 RSL homes in this area accounting for around 13% of Argyll & Bute’s total stock of social rented housing. Turnover is fairly healthy relative to the waiting list, and supply and demand therefore are reasonably balanced, however further development in this area would support regenaration and positive economic growth.

Key issues for Kintyre HMA:

- The focus in this area remains on repairing, maintaining, improving and managing existing stock; but there is scope for some judicious new build developments in line with the repopulation and growth agendas for the area.
- Tackling fuel poverty and improving energy efficiency remain priorities.
- The provision of Housing Options advice and information; Tenancy Support; and ensuring that sufficient specialist provision remains available to meet the requirements of those with particular needs will also be important.

Appendix 3 – Extract from LHS 2022 - 2027 (data as of 2020) Mid Argyll

MID ARGYLL

Population	9,123
Households	4,614
Dwellings	5,659
Ineffective Stock (%)	13%
RSL Stock	1,033
Waiting List Applicants	221
RSL Lets (2019/20)	110
Pressure Ratio	2:1
Lower Quartile House Price	£85,000
Lower Quartile Income	£16,507
LQ Affordability Ratio	5:1

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. Only 54% of house sales in the area are to local residents (a significant drop in self-containment since the previous HNDA), but almost 9% were to purchasers from elsehwere in Argyll & Bute, one of the highest rates of internal movement within the authority. 20% of purchasers come from elsewhere in Scotland and over 16% originate elsewhere in the UK. This area tends to have higher than average income levels and consequently the price-to-income affordability ratio is slightly lower than most other HMAs. The total number of dwellings has increased by 2.4% between 2015 and 2020. Currently the area accounts for over 12% of the authority total. However, around 13% of the stock comprises second/holiday homes and long-term vacant properties and is therefore unavailable to meet local needs. In 2020 there were 1,033 RSL homes in the area, 12% of the sector total for Argyll & Bute. While turnover is relatively healthy in the RSL stock, around 9% of the total waiting list is seeking to be rehoused here and over14% of homelessness is located in this HMA. However, HNDA analysis suggested that less than 7% of backlog need is 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.