

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

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**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:-

- 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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**3.0 INTRODUCTION**

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This report will detail the following housing activity:-

- Declaration of a Housing Emergency
- Argyll and Bute Housing Summit
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- 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 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 LHS 2022-27 was approved

by Full Council 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 will detail the housing activity taking place in Oban, Lorn and the Isles.

## 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.
- Construction 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 27<sup>th</sup> 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.

#### 5.4 HOUSING NEED & DEMAND IN OBAN, LORN & THE ISLES

<b>HOMEArgyll WAITING LIST November 2023 – Active Applicants (excluding applicants with 0 points i.e. no need)</b>					
	<b>Minimum Bedroom Size Required</b>				<b>TOTAL</b>
	<b>0/1beds</b>	<b>2beds</b>	<b>3beds</b>	<b>4+beds</b>	
Lorn	351	125	69	32	577
Mull & Iona	45	14	3	6	68
Coll & Tiree	14	4	3	1	22
<b>OLI Totals</b>	<b>410</b>	<b>143</b>	<b>75</b>	<b>39</b>	<b>667</b>

In addition there was a registered demand from almost 315 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 258 applicants for Lorn; 48 for Mull & Iona; and 9 for Coll & Tiree.

For the Oban Lorn and Isles area as a whole, the majority of applicants (62%) require one bedroom and 21% require 2 bedrooms. 11% require 3 bedrooms and 6% 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)**

	<b>HOMEArgyll Applicants</b>	<b>RSL Lets 2022/23 (HOMEArgyll only)</b>	<b>Pressure Ratio</b>
Lorn	577	137	4:1
Mull & Iona	68	10	7:1
Coll & Tiree	22	3	7:1
<b>OLI Totals</b>	<b>667</b>	<b>150</b>	<b>4:1</b>

**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.**

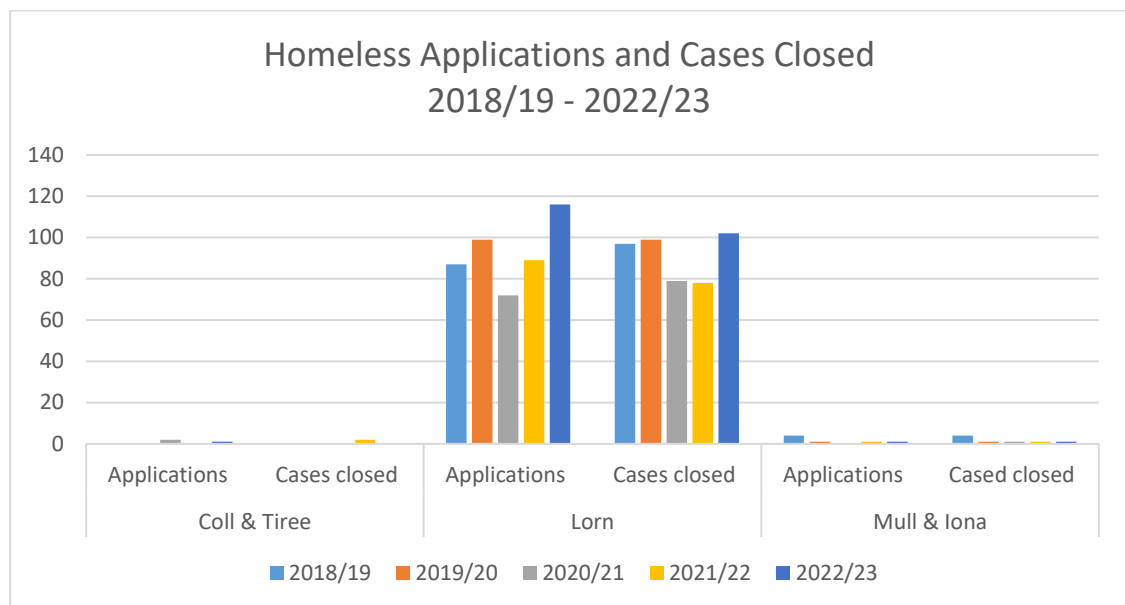
The fully revised Argyll & Bute HNDA 2021 takes account of a wide range of factors to determine existing need and future demand for new build housing, and demographic projections have a critical role in this assessment. Although the default population projections suggest a significant and continuous 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.

## 5.5 HOMELESSNESS

Homeless applications across the area increased by 31% (90 up to 118) in the Oban, Lorn and the Isles area during 2022/23. These applications included 1 homeless application for Mull & Iona and 1 for Coll & Tiree.

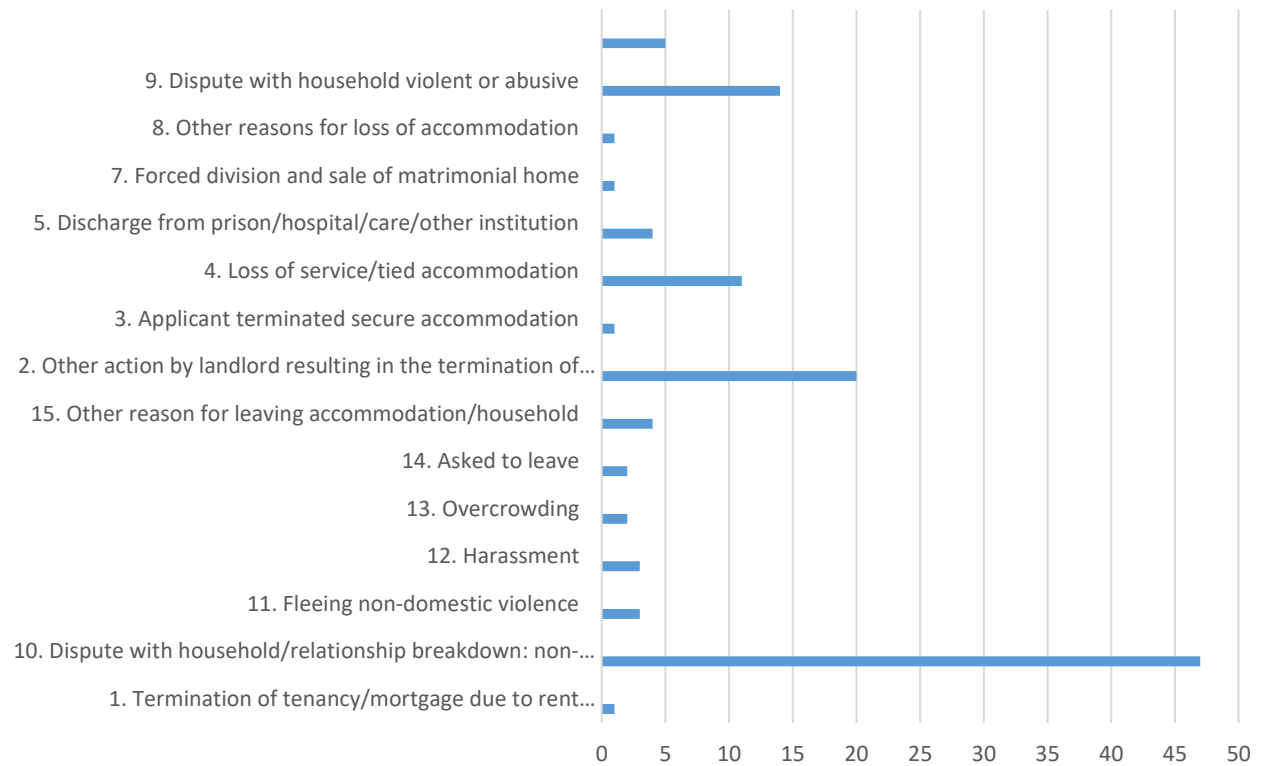
During 2022/23 there were 103 homeless cases closed in the Oban, Lorn and the Isles area. 102 of the cases were in the Oban and Lorn and 1 case was on Mull.

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 – non-violent”, and ‘other action by landlord resulting in the termination of tenancy’.

## Oban, Lorn and The Isles Combined Reasons for Homelessness 2022/23



### Rough Sleeping

The Oban, Lorn and Isles area experienced an increase in the incidence of rough sleeping over the same period last year, with 13 cases (+6) in total across the area reporting that they slept rough the night preceding their presentation and 17 (+4) 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 2021/22	
	Night Before Application	3 Months Prior to Application
Oban, Lorn area	13	17
Mull and Iona	0	0
Coll and Tiree	0	0
OLI Total	13	17
<b>Argyll &amp; Bute</b>	<b>26</b>	<b>36</b>

## 5.6 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 119 new affordable homes in Lorn in 2022/23.

RSL	PROJECT	Units	Funding
LINK	Dunbeg Phase 3	119	£63,687,000
<b>Oban, Lorn and the Isles Total</b>		119	£63,944,362

The Council recognises that households in the area have difficulty in affording to buy property for principal occupation and in that regard the Council encourages RSL's to deliver Shared Equity properties in their developments. The Shared Equity model enables eligible households to obtain mortgages from as low as 60% of the value of the property with the Scottish Government retaining the remaining equity in the property. 40 Shared Equity properties are being delivered in Dunbeg as part of the LINK phase 3 development.

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	Mull and Ulva (13 units – at feasibility stage)
LINK	“Hospital Field”, Oban (50 units – 26/27) Lonan Drive, Oban (44 units by 27/28) Dunbeg, Phases 4,5 & 6 (349 units in total – 26/29) Glencruitten, Oban (100 units – 26/27)
WHHA	Tobermory, Mull Phase 3 (10 units – 25/26) Port Appin (6 units – on site) Port Appin phase 2/3 (24 units – 28/29) Salen (8 units 27/28) Lochawe phase 1 (16 units – 27/28) Baliscate, Tobermory (12 units – 28/29) Bunessan phase 2 (4 units – 28/29) Craignure (24 units – 28/29)

In addition to the projects in the table above the Council has secured planning permission to deliver up to 12 houses for workers in Tobermory, Mull. This project is part of the housing element of the Rural Growth Deal.

## 5.7 EMPTY HOMES

In 2022/23 there were **13** private empty homes brought back into use in OLI, with the assistance of the Empty Homes Officer, amounting to **34%** all the empty homes brought back into use across Argyll and Bute last year (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 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 November reports.

OLI 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
Lorn	9,048	126	116	242
Mull & Iona	1,963	28	44	72
Coll & Tiree	702	9	11	20
<b>OLI TOTAL</b>	<b>11,839</b>	<b>163</b>	<b>171</b>	<b>334</b>

## 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 **212** 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 (**113**);
- Class 7A = Dwellings Empty Under Statute – Closing or Demolition Order (**12**);
- Class 1A = New Dwelling (**1**);
- Class 5A= Living/detained elsewhere (**14**);
- Class 2A= Unoccupied-Renovation (**2**)
- Class 6A= Deceased owner (**70**)

## Second Homes

As at 1<sup>st</sup> November 2023 there were **862** registered second homes in Oban, Lorn and the Isles. This figure represents **28%** of the total number of second homes in Argyll and Bute (3,052).



## Self-Catering Lets

As at March 2023 there were **985** self-catering lets on the Rates register in the Oban, Lorn and the Isles area **42%** of the Argyll and Bute total (2,341).

OLI	Number of self-catering properties
Rates data as at 01.03.23	
Lorn	543
Mull & Iona	354
Coll & Tiree	88
<b>OLI TOTAL</b>	<b>985</b>

### 5.8 PRIVATE SECTOR HOUSING GRANT – ADAPTATIONS

In 2022/23, there were 17 individual adaptations installed across OLI with PSHG aid.

PSHG ADAPTATION COMPLETIONS 2022 -2023									
HMA	Grant Value	Works Value	ADAPTATION INSTALLED						
			Ramp	Stairlift	Access	Bathroom Adaptation	Hoist	Wash & Dry Unit	External Drainage Connection
Lorn	£ 70,566.40	£ 83,340.20	0	0	1	12	1	3	0
<b>TOTALS</b>	<b>£ 70,566.40</b>	<b>£ 83,340.20</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>1</b>	<b>3</b>	<b>0</b>

### 5.9 PRIVATE SECTOR HOUSING GRANT – REPAIRS AND IMPROVEMENTS

In 2022/23, there were a total of 26 PSHG repair and improvement grants completed in OLI, (across Argyll and Bute, the total was 57). Total cost of the works was £231,112 of which PSHG covered £96,486.

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

There were 158 energy efficiency measures installed across OLI in 2022/23 via the EES:ABS programme. In total, 84 properties were improved across the Oban, Lorn and the Isles area, at a total cost of £638,149. Grant aid in support of this work amounted to £593,897.

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
Lorn	29%	23%
Mull and Iona	30%	25%
Coll and Tiree	30%	25%

Argyll and Bute	30%	25%
Scotland (SHCS)	34%	23%

## 5.11 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 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.

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 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. 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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January 2024

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## **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.