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**HOUSING EMERGENCY – LOCAL HOUSING STRATEGY ANNUAL UPDATE**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 In June 2023 the Council's Environment, Development and Infrastructure (EDI) Committee declared a Housing Emergency due to a consistent reduction in the supply of housing, a steady increase in demand for housing across all tenures and increasing levels of un-affordability. Whilst we were the first to do this, we are not alone, and 12 local authorities and the Scottish Government have now described the housing system as in Emergency. Whilst there is commonality in the reasons for doing so, the housing system is complex and the issues and experience that lead to these decisions varies between local authorities and even areas within local authorities.
- 1.2 What does not vary is that these circumstances have not suddenly occurred, but have developed over many years for many reasons. Many of the fundamental issues can be considered systemic, such as: mismatch in supply and demand; lack of affordability in all tenures; the impact of demographic changes; skills shortages; escalating construction costs; and the varying fiscal and investment regimes that exist both privately and commercially. Even though there is a declared Emergency, the responses to this will take time to develop, deliver and have effect.
- 1.3 As the Council is no longer a landlord, and does not build housing, it can affect change in the housing system only in certain ways. Since the declaration of the Emergency the Council has explored what it can do differently to make a difference. Accordingly to date:
- We have been at the forefront of arguing for electricity infrastructure providers to step up to deliver a Just Transition by adequately providing for the worker accommodation demand they create. The Scottish Government Electricity Consenting Unit first accepted this argument when consenting Cruachan Expansion, and reflecting this, SSEN has very recently committed to providing 200 affordable homes and unlocking 1000 more across the north of Scotland.
  - In partnership with the HomeArgyll RSL stakeholders, we have amended allocations policy to favour homeless households.

- In partnership with the HSCP we have employed additional Occupational Therapists and an extra Empty Homes Officer to facilitate more PSHG homes adaptations for the elderly and bring more properties back in to use.
- We have facilitated and extensively promoted the Scottish Government acquisition and buy-back scheme.
- Declaring a Housing Emergency, and holding a Housing Emergency Summit has significantly contributed to starting a national conversation addressing housing issues. This continues to be pursued by us at COSLA, COHI, evidence to parliamentary committees, direct conversations with Ministers, hosting visits to the area to discuss housing issues and other appropriate avenues.
- We have appointed a Housing Delivery Officer.
- We are in the process of appointing an Officer to advise property owners wishing to transition from holiday home and short term let ownership into more permanent tenures.
- We have increased the Council Tax on second homes.
- We are appointing consultants to assist the production of Strategic Development Frameworks for Oban and Helensburgh that will be critical underpinnings of long-term growth and land release.
- We have used the Strategic Housing Fund to offer increased levels of support particularly for Community Housing group projects.
- We have created and facilitate a forum for Community Development Trusts to collaborate.
- We are in the process of servicing Council land to provide worker accommodation on Mull.
- We have produced revised and more flexible Roads Development Guidelines.
- We have worked with Scottish Government to pursue an extension to the Lorn Arc TIF agreement which will be critical to the development of a further 410 houses in Dunbeg.

1.4 We have also increased focus and effort on all matters related to housing, which might be considered business as usual. As a result we have:

- consented 512 houses from the declaration of the Emergency in June 2023 to March 2024,
- seen a 4% reduction in homelessness when the Scottish Average has increased by 4%,
- significantly intensified our communication with local RSLs in order to better work in partnership to deliver short, medium and long term housing sites.

1.5 The solutions to the Housing Emergency are not short term, and many of the activities above will take time to put roofs on people's heads. However:

- 18 social rented units were handed over at Jimmy Deans, Helensburgh following a relaxation of Roads Guidelines.

- 9 units are being handed over with 3 more to follow on Colonsay, following significant financial grant and loan from the Council.
- Following extensive Council promotion, 18 buy-back properties have been acquired by ACHA and are now available for social rent.
- Land at Bridge of Awe has been acquired by West Highland Housing Association following a flexible and accelerated approach to granting planning consent for 42 houses.

1.6 This report presents members with an update of progress tackling the Housing Emergency. It does this by:

- Presenting the annual Local Housing Strategy (LHS) Update (Appendix 1). The LHS is the Council's Statutory housing strategy, and the annual update presents progress against key outcomes in the LHS.
- Outlining how the Housing Emergency Action Plan, which was presented to EDI in June 2024, has been incorporated in to the LHS Update, particularly by mapping the key linkages.
- Proposing a set of key Housing Emergency Metrics as requested by Members, and which will allow annual tracking of progress.
- Augmenting the Housing Emergency Metrics with a synopsis of current activity in the housing system.

## **RECOMMENDATIONS**

It is recommended that Council:-

- i) Consider and approve the content of the Local Housing Strategy Annual Update;
- ii) Consider the ongoing activity and progress in relation to addressing the Housing Emergency;
- iii) Consider and approve the metrics detailed in Section 4.19 of the report which will annually measure progress in tackling the Housing Emergency.

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**2.0 INTRODUCTION**

- 2.1 The main purpose of this report is to inform Members on the Local Housing Strategy Update (Appendix 1). The production of the Local Housing Strategy is a statutory duty of the Council and the current Strategy runs from 2022-2027. An annual update on the Local Housing Strategy was one of the key actions when the Council declared a Housing Emergency in June 2023.
- 2.2 The report details progress made on the Outcomes within the Local Housing Strategy to date and incorporation of the Housing Emergency Action Plan within the LHS Update. The report also provides detail on progress made in terms of the Council tackling the Housing Emergency in Argyll and Bute and proposes a set of metrics by which progress can continue to be measured.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Council:-
- i) Consider and approve the content of the Local Housing Strategy Annual Update;
  - ii) Consider the ongoing activity and progress in relation to addressing the Housing Emergency;
  - iii) Consider and approve the metrics detailed in Section 4.19 of the report which will annually measure progress in tackling the Housing Emergency.

**4.0 DETAIL**

**THE LOCAL HOUSING STRATEGY ANNUAL UPDATE**

- 4.1 The Council as the Strategic Housing Authority has a statutory duty to produce a Local Housing Strategy (LHS). The current LHS runs from 2022 to 2027.

Appendix 1 contains the LHS Annual Update 2024. The LHS has 4 key outcomes:-

- Housing Supply and Place-making
- House Condition, Energy Efficiency and Poverty
- Specialist Provision and Independent Living
- Housing Options, Information and Support

The following section of this report will provide detail on progress against the key actions within the outcomes

### **Outcome 1 – Housing Supply And Place-making**

4.2 The key aim of Outcome one is to facilitate access to sufficient suitable and affordable housing across all tenures. The 2023/2024 LHS update notes progress as follows: -

- 144 new housing completions in 2023/24 (all tenures).
- 70 new build affordable houses delivered through the Strategic Housing Investment Plan.
- 18 properties brought back into the affordable housing market through the Council/RSL buy back scheme.
- 2 Community Housing Projects on site nearing completion – Gigha (5 affordable homes) and Colonsay (9 affordable homes).
- 3,209 households are currently on the Common Housing Register for social housing which is a decrease of 2% from 2022/2023.
- 763 HOMEArgyll lets which is a decrease of 6% from 2022/23. (NB: this reflects a continued and national slower turnover of properties which is still not fully understood, could partially reflect the eviction ban, but also efforts to support tenancies and the low new build rates).

### **Outcome 2 – House Condition, Energy & Efficiency & Poverty**

4.3 The key aim of Outcome 2 is to regenerate communities by improving the quality condition and energy efficiency of housing and by tackling poverty, including Fuel Poverty and Child Poverty and ensuring that Housing contributes to addressing the Wider Climate Change agenda. The 2023/24 LHS update notes progress as follows:-

- 236 homes provided with energy efficiency measures – an investment of £1.775 million during 2023/24.
- 8 tenements/50 properties improved with £150 000 of Private Sector Housing Grants.
- 2245 referrals to Home Energy Scotland for energy advice
- £4.458 million of income generated for households in Argyll and Bute by the Council Welfare Rights Team

- £1.675 million of income generated for households in Argyll and Bute by the Citizens Advice Bureau

### **Outcome 3 – Specialist Provision And Independent Living**

4.4 The key aim of Outcome 3 is to enable people to live well, with dignity and independently for as long as possible. The 2023/24 LHS update notes progress as follows:-

- 235 RSL homes received Stage 3 Adaptation Funding
- 67 private homes we supported with Adaptation Grant
- 2248 Technology Enable Care (TEC) installations
- 19 new affordable homes specialist provision – 12 wheelchair and 7 amenity houses

### **Outcome 4 – Housing Options Information And Support**

4.5 The key aim of Outcome 4 is to provide effective and timeous information, advice and support to help persons in housing need to make informed choices and decisions on the range of Housing Options available. The 2023/24 LHS update notes progress as follows:-

- 492 homeless applications taken in 23/24 which is a 4% reduction from 22/23
- 7 new Housing First tenancies created
- 55 referrals to the Mental Health/Addictions Housing Practitioner
- 78% of households receiving housing support had a Planned Departure from support.

### **INCORPORATION OF HOUSING EMERGENCY ACTION PLAN INTO THE LHS UPDATE**

4.6 The Housing Emergency Action Plan was agreed in June 2024. Many of the actions relate to actions within the Local Housing Strategy and in order to incorporate these in to the LHS, the linkages have been mapped as shown in in pages 56-63 of Appendix 1. The Housing Emergency Action plan is split into 4 key objectives identified in tackling the Housing Emergency:-

- Enable the Delivery of More Market Homes in Argyll and Bute
- Enable the Delivery of More Affordable Homes in Argyll and Bute
- Enable the Delivery of More Homes for Argyll and Bute's Workforce
- Making the Best Use of Existing Homes in Argyll and Bute

4.7 Some of the actions within the plan are already making good progress and are detailed in the sections below.

### **Enable the Delivery of More Market Homes in Argyll and Bute**

- 4.8 Implement a more flexible approach to infrastructure, roads and design requirements on development sites – a new Roads Guidance document was approved in June which is more responsive to the requirements of housing delivery on both the islands and the mainland
- 4.9 Repurpose vacant spaces/derelict buildings to deliver homes for sale or rent – work is ongoing with HSCP to repurpose a dental surgery in Bowmore to create 2 ensuite rooms to HSCP workers.
- 4.10 Use rural housing burdens and Rural Growth Deal/Partnership Support for Regeneration Funding enabling developers to offer principal homes at a fixed price – The Council now has Rural Housing Authority status. The Council has carried out site investigations on a Council owned site on Islay with a view to progressing a Rural Growth Deal Full Business Case to deliver dwellings for sale, but restricted to principal home occupancy.

### **Enable the Delivery of More Affordable Homes in Argyll and Bute**

- 4.11 Create funding mechanisms for Community Housing Trusts to finance feasibility studies, professional fees and approval process – the Council is working with community groups to agree a model whereby the Strategic Housing Fund element of a project can be approved for use at an earlier stage of the process
- 4.12 ACHA to deliver a minimum of 300 new build homes of mixed tenure and a minimum of 50 buy backs by 2029 – ACHA have already completed 14 buy backs and have plans to deliver new build housing across Argyll and Bute which will be detailed in the Strategic Housing Investment Plan

### **Enable the Delivery of More Homes for Argyll and Bute's Workforce**

- 4.13 Deliver seasonal and temporary workforce accommodation using short term occupancy agreements – HSCP have worked with the Council to agree lease formats to take on RSL and Private Sector properties for use as workforce accommodation. A lease has already been signed with an RSL on Islay for a 2 bedroom property and the Council is in the process of agreeing a lease with a private landlord to take on a 3 bedroom property on Islay for workforce accommodation. The Council is on site on Mull delivering a Rural Growth Deal project which has planning approval for 12 properties for worker accommodation
- 4.14 Deliver workforce housing options including the use of modular, temporary and tiny homes – the HSCP empty homes officer has already matched several HSCP workers into suitable accommodation and continues to work with HSCP to establish accurate information on the need and demand in the high pressure areas of Oban, Mull and Islay. The Council has secured funding for an

Addressing Depopulation Officer. This post will explore the opportunities within the private rented sector to provide suitable housing options for the workforce in Argyll and Bute. RSLs are jointly exploring standardised specification of house types that can be delivered as modular units.

### **Make the Best Use of Existing Homes in Argyll and Bute**

- 4.15 Create more choice and flexibility with the HOMEArgyll policy to address identified housing pressures – agreement is now in place for the policy to be more flexible. Single homeless households in Oban and Helensburgh can now be offered two bedroom properties due to the backlog of single homeless households in these areas. Over 10 single households have been offered and accepted 2 bedroom properties.
- 4.16 Increase the number of Empty Homes Officers with more flexibility to assemble funding – an Empty Homes Officer with a focus on finding housing for HSCP workers is now in place with funding secured from HSCP and Shelter
- 4.17 Double the Council Tax on second homes – this was implemented in April 2024. It is too early to assess the impact but analysis will be carried out in due course.
- 4.18 Map public sector land and buildings which could provide affordable housing via repurposing or change of use - The Council's operational officers group have carried out various stands of work on this action:
  - Site investigation work carried out on a site on Coll – now complete and passed to ACHA for consideration
  - Site investigation work carried out on 2 sites on Tiree – now complete and passed to ACHA for consideration
  - Site investigation work ongoing at a site in Helensburgh
  - Site investigation work ongoing at a site/building on Islay with a view to delivering housing in partnership with an RSL
  - options appraisal work ongoing at a former office building in Oban with a view to converting to housing
  - design work ongoing to a former office building in Oban with a view to delivering modular housing for workers
  - Funding approved to deliver 2 worker accommodation units on Tiree – work on site and almost complete
  - Funding approved to assist with bringing 2 NHS properties back into use for worker accommodation on Coll – contract awarded and work to start when Tiree project complete
  - Funding approved to deliver convert an ACHA 4 bedroom property in the Lorn area into HSCP accommodation for workers – ACHA currently undertaking design work



## HOUSING EMERGENCY PROGRESS METRICS

- 4.19 Members have requested regular updates on activity to tackle the housing emergency and a set of metrics which could be used as a benchmark to judge progress. The housing system is complex and wide-ranging, however officers have given consideration to preparation of a range of statistics and indicators which can give a balanced representation of the housing system and are based on the issues across the housing market which resulted in the declaration of the Housing Emergency in Argyll and Bute. The following table has been identified and it is proposed this will be compiled and presented to members annually.

<b>HOUSING EMERGENCY - METRICS (1<sup>st</sup> April)</b>			
	Year		
<b>Measures</b>	2023/24	2024/25	2025/26
Housing Completions – All Tenures	144		
Planning Consents Granted	512*		
Resource Planning Allocation(RPA)	£18.26m		
Resource Planning Allocation(RPA) spend	<i>Available Mid 2025</i>		
Strategic Housing Fund (SHF) spend	£1.057m		
Number of Homeless Applications	492		
Number of Households on social housing waiting list	3209		
Multiple of median wage to median house price	5x (£35k / £175k)		
Number of Registered Short Term Lets	3031		
Number of Second Homes	2811		
Number of Empty Homes	2364		

\* Consents Figure is June23-March24, & will be corrected for next year

## CURRENT HOUSING SYSTEM ACTIVITY SYNOPSIS

- 4.20 Notwithstanding the table of metrics, on their own, the statistics give only a hint at the considerable volume of wide ranging activity which is underway, often well in advance of houses being completed and handed over, such is the long term nature of development. In order to give members a fuller awareness of this vital activity it is proposed to augment the statistics with a snapshot synopsis of current activity in the housing system, and this is outlined below.
- 4.21 70 new build affordable houses complete in 2023/24: (66 Oban, 4 Dunoon).



- 4.22 Colonsay Community development Company will soon start handovers of a 12 unit mixed tenure dev at Scalasaig (SHF funding and loan included).



- 4.23 Isle of Gigha Heritage Trust is close to completion of 5 affordable units at Ardmish.



- 4.24 The Council has employed local contractors and is working with MIGHT to deliver worker housing in Tobermory, on-site infrastructure is currently being installed.



- 4.25 The Council's Empty Homes Officers facilitated bringing 30 properties back in to use in 2023-24.



- 4.26 The Council promoted the Buy back scheme in June 2023. This has generated 86 enquiries through Housing Service. ACHA have acquired 17 properties with 3 pending. Fyne Homes has acquired 1 property with 2 pending.
- 4.27 Argyll and Bute Council was awarded funding of £1,979,827 for the year 2023/24 which has helped 236 households by installing 361 energy efficiency measures.
- 4.28 A consultation draft Local Heat and Energy Efficiency Strategy was approved by Council in September. Once finalised, this will set out a policy framework that assists in reducing fuel poverty in the long term.
- 4.29 During 2023/24 the Housing Service received 492 homeless applications in Argyll and Bute which is a slight reduction from 512 applications in the previous financial year.
- 4.30 As at the end of March 2024, there were 125 households in temporary accommodation, including 27 households with children. Whilst the average time

for homeless applicants to be re-housed has reduced, on average it still takes 31 weeks to be offered permanent accommodation.

- 4.31 The Housing Service had 1,135 'Prevention and Advice' cases in 2023/24 which increased slightly from 1,123 in 2022/23. The majority were in relation to households seeking advice in respect of 'General Housing Advice. Of the 1,135 cases, only 235 went on to make a homeless application which is the lowest since the peak of 409 cases in 2017/18. This highlights the pro-active approach to homeless prevention and the importance of households receiving appropriate advice and assistance at an early stage.
- 4.32 West Highland Housing Association is on site at Port Charlotte, Islay with 12 units and handovers are anticipated spring 2025.



- 4.33 West Highland handed over 4 social rent units and 2 Shared equity in Port Appin in August 24.
- 4.34 West Highland has handed over 16 social rent units at Port Ellen, Islay with 4 shared equity units due for completion shortly. A site start has been made on Phase 5 at this site which is a further 20 units.



- 4.35 West Highland have appointed a ground works contract to start in October for 5 units on Colonsay.
- 4.36 Dunbritton handed over 18 units at Jeannie Deans, Helensburgh site in the spring.



- 4.37 Following the Argyll RSL Chairpersons meeting in April 2024, the Associations have agreed to procure an architect to work with their development agent and Scottish Futures Trust, to develop a suite of standard modular house types, for the benefit of the four Argyll based RSLs.
- 4.38 The standard modular house types could then be delivered by a number of modular housing providers, with individual RSLs able to select external materials and finishes to comply with their own specification requirements, while

maintaining a commonality of layout and technical design that will provide efficiencies to all.

- 4.39 Fyne Homes have submitted a planning application in May 2024 for 16 units in Inveraray.



- 4.40 Fyne Homes completed 6 units in September at Baddens, Lochgilthead.



- 4.41 Fyne Homes purchased the land for the Baddens Phase 10 development of 14 units from MacLeod Construction Ltd (MCL) in March 2024 with Scottish Government funding.
- 4.42 The Council approved planning consent for the demolition of the Lower Academy Building, Rothesay in August 2024. This allows progress to be made on the wider masterplan site.

- 4.43 Fyne Homes procured Connect Modular, also known as the Wee House Company, to progress the design and construction of 8 modular family homes on land owned by Fyne Initiatives at Ballochgoy, Rothesay.
- 4.44 LINK Group have submitted a PAN for phase 4 Dunbeg, which will deliver approximately 410 unit mixed tenure and anticipate making a planning application before the end of the year.
- 4.45 From the declaration of the Housing Emergency in June 2023 until the end of March 2024 the Council granted planning consent for 511 residential units.

## **5.0 CONCLUSION**

- 5.1 The Housing Emergency was declared due to a whole housing system failure and addressing the issues behind the failure will take time to address and require a partnership approach. Argyll and Bute Council was the first council in Scotland to declare the emergency and this has been followed by numerous councils and the Scottish Government. This report demonstrates the wide range of actions that are being taken forward within the context of reduced resources for the delivery of new homes at a national level. That said, the council continues to work with the Government, key agencies and our housing delivery partners to make progress including exploring new methods and solutions to tackle housing shortages across the local authority area, but many of these will take time to come to fruition.

## **6.0 IMPLICATIONS**

- 6.1 Policy – the ongoing activity is consistent with current Council priorities and the Local Housing Strategy vision and outcomes which are directly aligned with the overarching objectives of the Outcome Improvement Plan – outcome 2: Housing.
- 6.2 Financial – none directly arising from this report but future housing delivery actions will require additional funding at some stage from the Council and our partners if delivery is to be accelerated.
- 6.3 Legal – None.
- 6.4 HR – None.
- 6.5 Fairer Scotland Duty:
  - 6.5.1 Equalities - protected characteristics – the activity outlined in the report is consistent with the aims and objectives set out in the Local Housing Strategy which is subject to an EQIA. There are targets within the housing plans to deliver housing which meet the needs of specialist groups.

- 6.5.2 Socio-economic Duty – the delivery of housing across Argyll and Bute facilitates socio-economic opportunities for all. The housing plans in the report link to the Child Poverty Strategy.
- 6.5.3 Islands – many of the housing projects detailed in the report are being delivered on islands which will provide many benefits such as employment and the continued delivery of essential services to island communities.
- 6.6 Climate Change – new housing in the right location helps reduce carbon outputs when delivered using renewable energy and other measures. Making best use of existing stock by delivering energy efficiency measures helps towards achieving climate change targets.
- 6.7 Risk – there is a risk of depopulation, damage to the economy a risk to delivering essential services in the local authority area if partners cannot effectively tackle the Housing Emergency.
- 6.8 Customer Service – none.
- 6.9 The Rights of the Child (UNCRC) – the delivery of more housing will enable more children to have a safe secure environment. The housing plans also have clear links to the Child Poverty Strategy.

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**APPENDICES**

Appendix 1 - Argyll and Bute Local Housing Strategy Annual Report 2024