ARGYLL & BUTE COUNCIL

Housing Need & Demand Assessment Technical Supporting Paper 02

Core Output 1: Key Drivers of the Local Housing Market - Demographic Trends

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1.0 Introduction

1.1 To achieve "robust and credible" status, a Housing Need and Demand Assessment (HNDA) must satisfy the requirements of the Centre for Housing Market Analysis guidance (2018). This should include detailed analysis of key housing market drivers such as household formation, population and migration trends; and should propose a set of future scenarios that will be used to run the online HNDA Tool. This will ultimately provide the calculation for new build requirements for additional affordable housing over a 5 and 10 year period.

1.2 This paper focuses on the past, current and future demographic trends for Argyll and Bute, and its constituent housing market areas; and proposes a set of 4 variant scenarios for inputting to the HNDA Tool. The report has been prepared in accordance with Scottish Government guidance and data has been compiled from key sources including the National Records of Scotland's mid-year estimates, sub-area population and household projections published in 2020, and other NRS reports, as well as the 2011 Census. Additional data and analysis has also been generated 'in-house' by Council staff following approved methodology, with expert guidance/training, and utilising licensed Popgroup software. Where appropriate, this report highlights comparisons between national and local trends, with particular attention being paid to Argyll and Bute's nine functional Housing Market Areas (see HNDA Technical Supporting Paper 1).

1.3 The report comprises four key sections:

Section 1: Recent demographic trends and current household profiles (this includes population change due to natural change – births and deaths – and net migration; change by age and by ethnicity; and household change by size);

Section 2: Population and Household Projections (five variant scenarios);

Section 3: Notes on special factors (Military population; Covid-19 and Brexit)

Section 4: Conclusions and implications for the HNDA and LHS

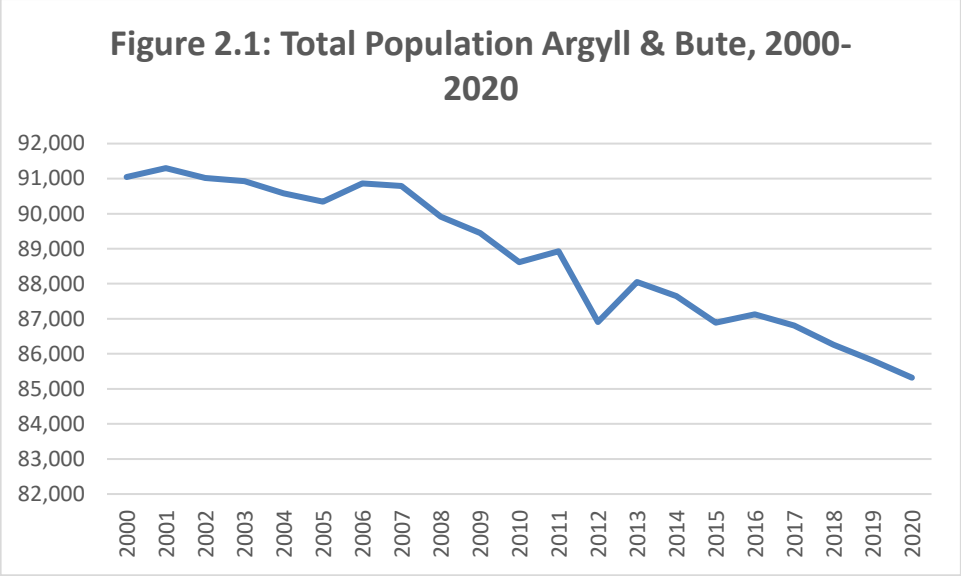
1.4 The aim of this technical supporting paper is to provide a clear, evidence-based understanding of key demographic factors and how these influence the local housing market(s); the data and scenarios that will be used to run the CHMA's HNDA Tool calculations; and the key findings that can be used to inform the Local Housing Strategy and the Local Development Plan(s).

1.5 The paper clearly outlines the methodology and all assumptions and judgements underpinning the variant scenarios; and notes any technical issues regarding data quality and analysis in a fully reasoned and transparent manner.

2.0 SECTION ONE: An overview of Demographic Trends in Argyll & Bute.

2.1 Population Trends

Between 2000 and 2020, there has been a steady decline in the population of Argyll and Bute. This is in contrast to the overall national trend which saw a steady increase over the same period. In 2020, the population of Argyll and Bute was estimated at 85,320. This is a decrease of 6.3% from 91,050 in 2000, compared to an increase of over 7% for Scotland during that time.



Source: NRS Mid-Year Population Estimates (July 2020)

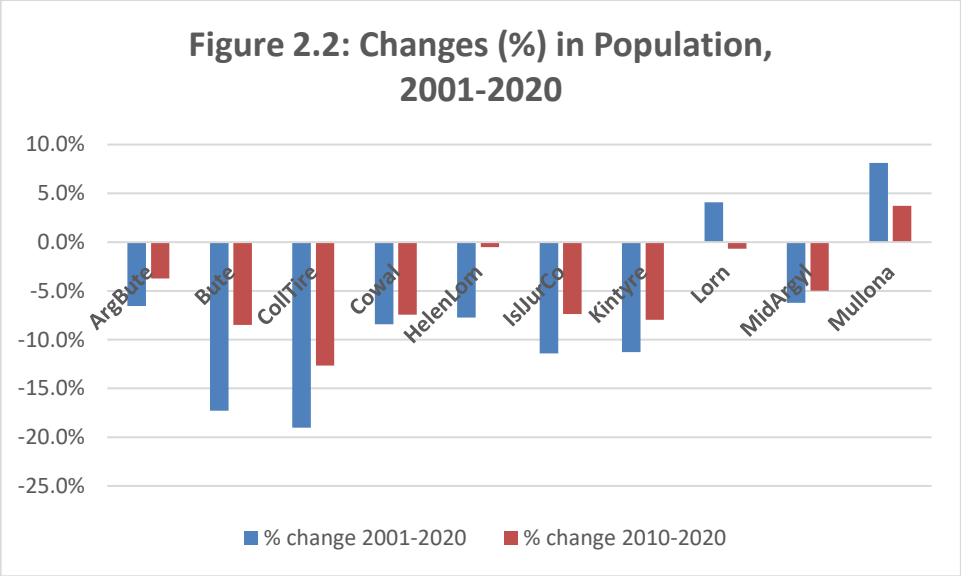
Table 2.1 below shows the population of Argyll and Bute broken down across the nine Housing Market Areas in 2001, 2010 and 2020. Over those two decades all but two of the nine HMAs saw a decrease in population; with Lorn and Mull & Iona seeing increases of 4% and 8% respectively. However, over the last decade Lorn also saw a population reversal for the first time, of -0.7%.

TABLE 2.1: Population Trends by HMA, 2001-2020

YEAR	ArgBute	Bute	CollTire	Cowal	HelenLom	IslJurCo	Kintyre	Lorn	MidArgyl	Mullona
2001	91,300	7,230	930	15,291	27,822	3,775	8,273	15,425	9,729	2,825
2010	88,620	6,536	862	15,126	25,805	3,610	7,974	16,161	9,602	2,944
2020	85,320	5,981	753	14,003	25,670	3,344	7,339	16,053	9,123	3,054
% change 2001-2020	-6.5%	-17.3%	-19.0%	-8.4%	-7.7%	-11.4%	-11.3%	4.1%	-6.2%	8.1%
% change 2010-2020	-3.7%	-8.5%	-12.6%	-7.4%	-0.5%	-7.4%	-8.0%	-0.7%	-5.0%	3.7%

Source: NRS Sub-Area Mid-Year Population Estimates (July 2020)

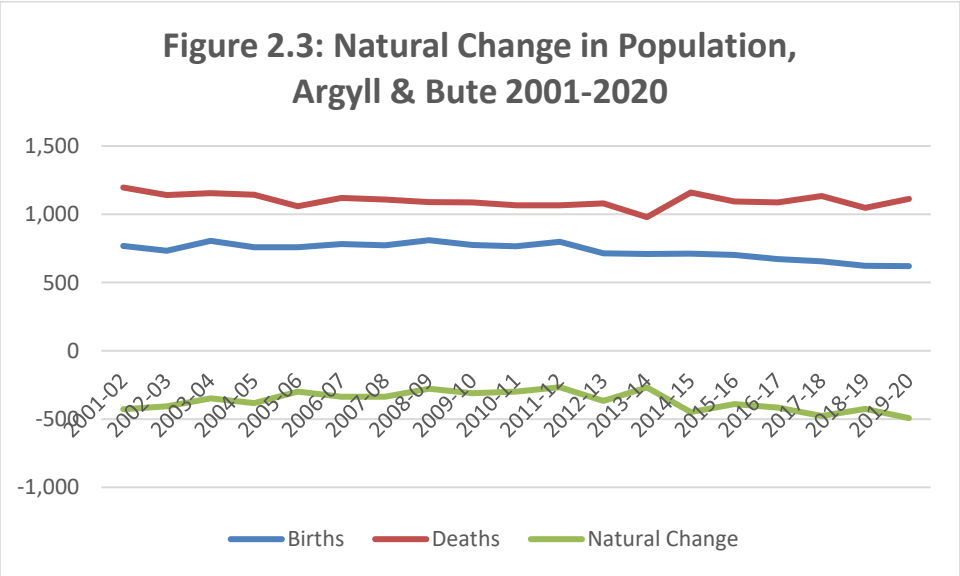
Figure 2.2 below also illustrates these changes in the HMA populations. Coll & Tiree has seen the largest proportionate decline in population since 2001, with a loss of 19%. However, given the very small baseline population here, the apparently significant statistical change relates to only a few actual persons.



Source: Small Area Population NRS Population Estimates, July 2020

2.2 Components of Population Change

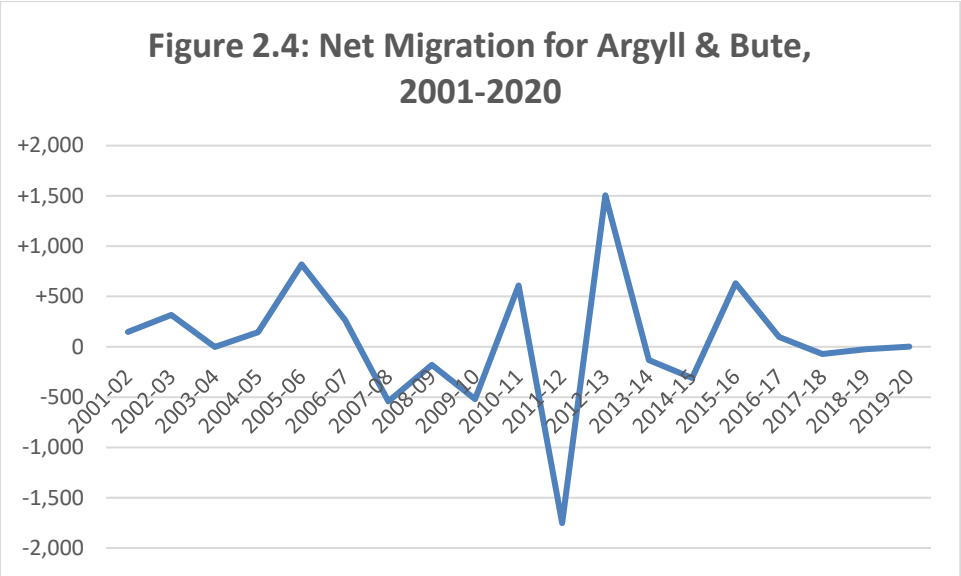
These changes in population are driven by two key components: natural change (the difference between the number of births and deaths) and the impact of net migration in or out of the area. Natural change accounts for a steady annual loss since 2001. The number of deaths recorded in 2019/20 was 493 higher than the number of recorded births as illustrated in Figure 2.3



Source: Small Area Population NRS Population Estimates, July 2020

Note: Trends in natural change may be affected by the impact of Covid-19 in 2020/21, and potential increases in excess mortality rates, however robust data is unavailable to provide valid analysis or modelling, or to draw conclusions at the time of writing. Trend data follows official national statistics and is derived from pre-covid figures.

Figure 2.4 below shows the net migration for Argyll and Bute since 2001/02. The graph shows a wide fluctuation year on year, with significant spikes of in and out migration in particular years.



Source: NRS Statistics, 2020

2.3 Population Change by Age

Table 2.2 shows the population of Argyll and Bute and HMAs in 2020 by age cohort. As a comparison, Table 2.3 overleaf shows the 2001 figures.

Table 2.2: Population by age cohort, 2020

Age Band	0-15	16-24	25-64	65-84	85+
Argyll & Bute	12,665	8,084	42,199	19,743	2,629
Bute	814	416	2,823	1,699	229
Coll & Tiree	132	66	450	173	28
Cowal	1,934	1,087	6,541	3,919	520
Helensburgh & Lomond	3,778	3,191	12,740	5,216	746
Islay Jura Colonsay	465	266	1,659	857	97
Kintyre	1,151	610	3,545	1,764	269
Lorn	2,517	1,580	8,272	3,262	421
Mid Argyll	1,418	685	4,673	2,101	246
Mull & Iona	474	203	1,579	727	71

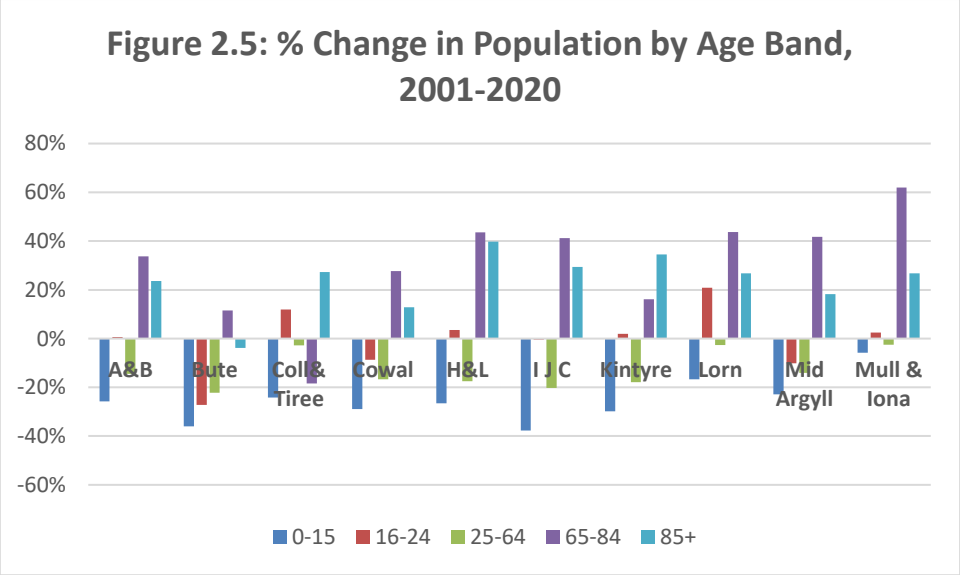
Source: NRS Small Area Population Estimates, July 2020

Table 2.3: Population by age cohort, 2001

Age Band	0-15	16-24	25-64	65-84	85+	Total
Argyll & Bute	17,052	8,037	49,323	14,762	2,126	91,300
Bute	1,271	571	3,627	1,523	238	7,230
Coll& Tiree	174	59	463	212	22	930
Cowal	2,718	1,191	7,853	3,068	461	15,291
Helensburgh & Lomond	5,139	3,084	15,433	3,632	534	27,822
Islay Jura Colonsay	746	267	2,080	607	75	3,775
Kintyre	1,641	598	4,315	1,519	200	8,273
Lorn	3,021	1,307	8,496	2,269	332	15,425
Mid Argyll	1,839	762	5,437	1,483	208	9,729
Mull & Iona	503	198	1,619	449	56	2,825

Source: NRS Small Area Population Estimates, July 2020

Figure 2.5 shows this population change in age cohorts as a percentage. Across all areas children aged under 16 have decrease, as have persons aged 25-64. Older persons, aged 65-84 and 85+, have increased in all areas (with the exception of Coll & Tiree which saw a decline in the 65-84 cohort). The age band 16-24 has however shown more variation by area.



Source: NRS Small Area Population Estimates, July 2020

2.4 Population by Ethnicity

Table 2.4 and Figure 2.6 show the population of Argyll and Bute by country of birth at the 2001 and 2011 census. There was a 2% decrease in the proportion of people living in Argyll and Bute who were born in Scotland and a slight increase of those born in England. The proportion of residents from elsewhere in Europe doubled between the censuses, and there was also a marginal increase in the proportion of people born outside Europe.

Table 2.4: 2001-2011 Census populations, Argyll & Bute, by country of birth (%)

Argyll & Bute Population	2001	2011
% born Scotland (includes UK part not specified)	78.1	76.1
% born England	17.0	17.7
% born Wales	0.6	0.6
% born Northern Ireland	0.7	0.7
% born Ireland (includes part not specified)	0.4	0.4
% born Rest of Europe	1	2
% born Elsewhere	2.1	2.5

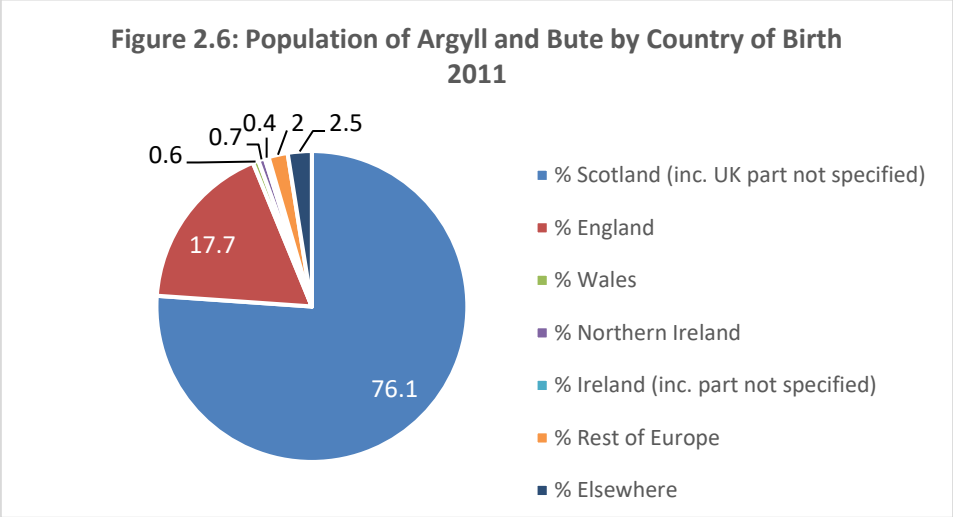
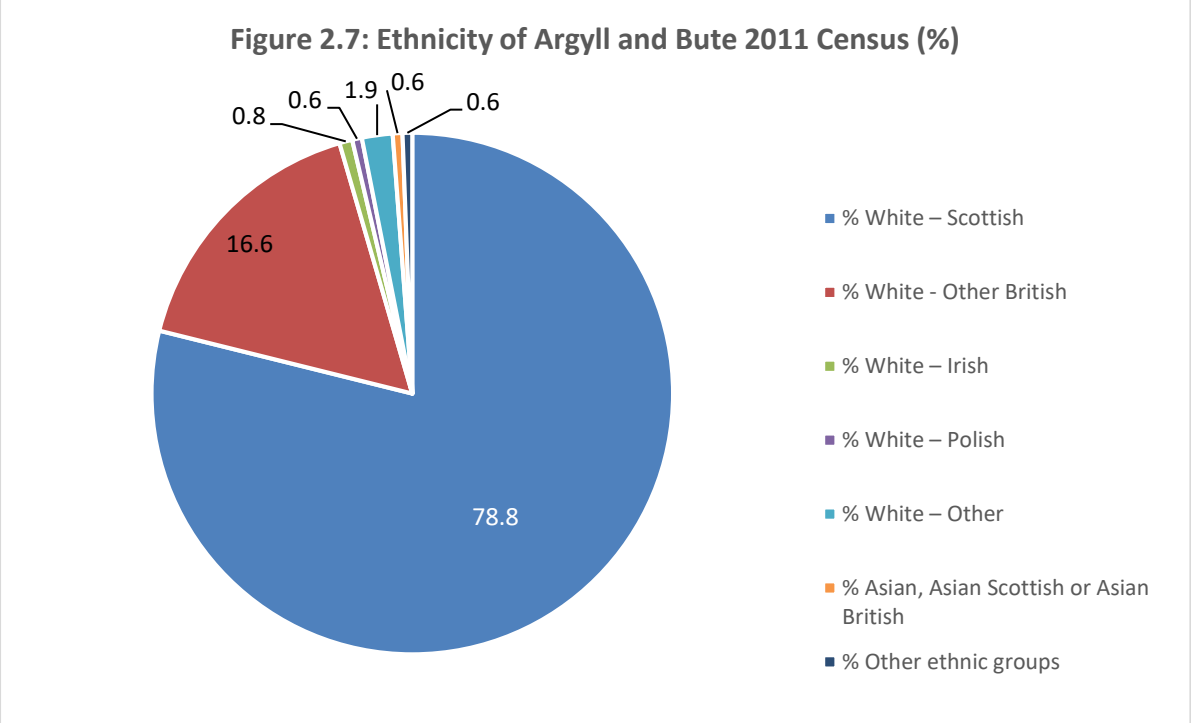


Table 2.6 and Figure 2.7 below show the ethnicity profile of Argyll and Bute based on the 2011 census. A large proportion of the population were recorded as being White Scottish, British, Irish and Polish while the remaining 1.2% are recorded as Asian and other ethnic groups.

Table 2.5: 2011 Census population of Argyll & Bute by ethnicity as a percentage

All people (number)	88,166
% White - Scottish	78.8
% White - Other British	16.6
% White - Irish	0.8
% White - Polish	0.6
% White - Other	1.9
% Asian, Asian Scottish or Asian British	0.6
% Other ethnic groups	0.6



A detailed population breakdown by ethnicity and origin is currently unavailable beyond the 2011 census data.

2.5 Household Trends

In 2018, there were an estimated 41,630 households in Argyll and Bute, an increase of 6.7% since 2001. This steady annual increase reflects the national trend in the last decade, albeit at a much slower rate (households in Scotland increased by almost 13% over the same period). 2018 saw a 0.4% increase on the previous year, roughly similar to an overall national rise of 0.6%. This appears to revise previous household estimates for Argyll and

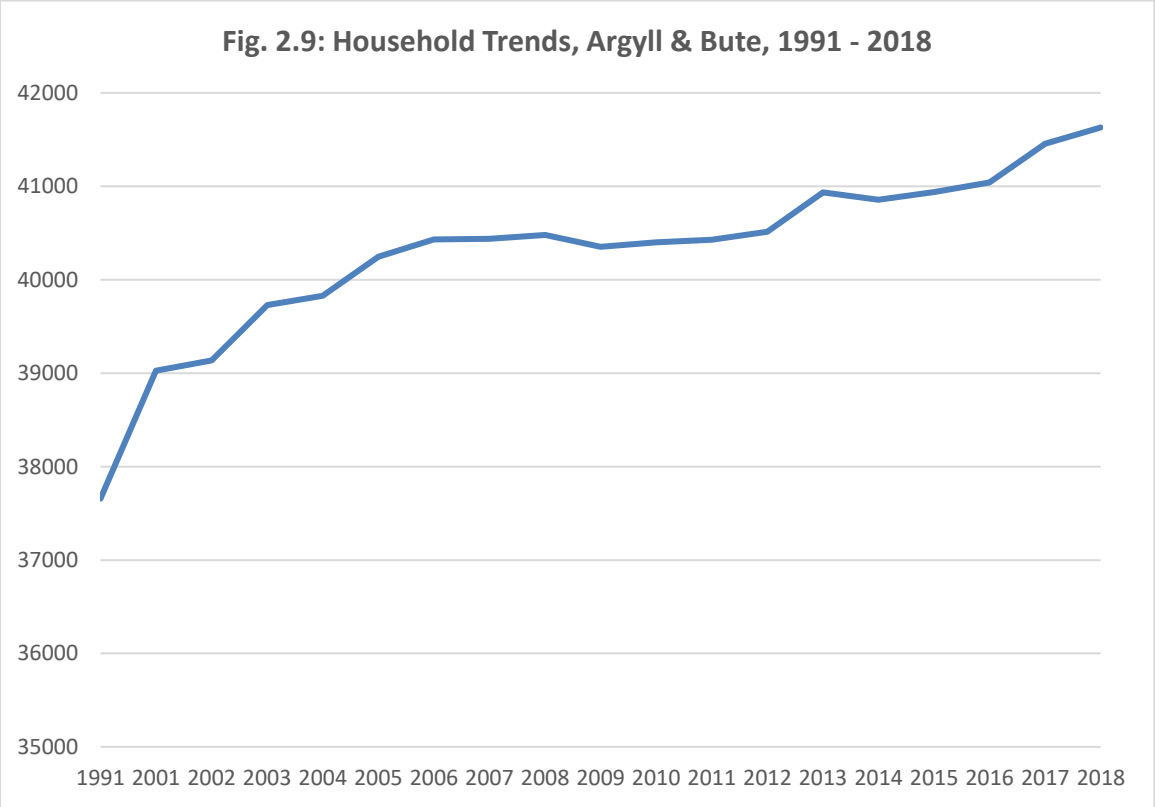
Bute which calculated an overall decline in household numbers in this authority as well as the population decline.

Table 2.6: Changes in number of households in Argyll and Bute and Scotland, 2008 – 2018

Area	Change 2017 to 2018		Change 2008 to 2018	
	Number	%	Number	%
Argyll & Bute	175	0.4%	1,149	2.8%
Scotland	14,539	0.6%	139,308	6.0%

Source: NRS (Estimates of Households and Dwellings in Scotland, 2019)

The overall trend for Argyll and Bute is illustrated clearly in the following graph.



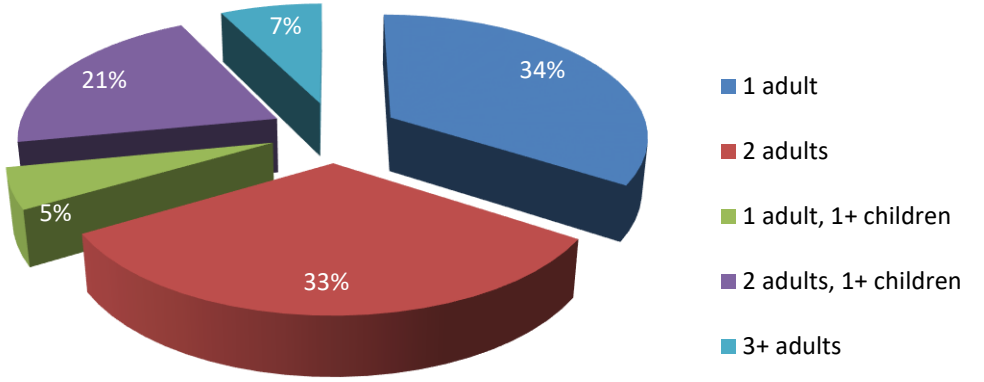
Source: NRS (Estimates of Households and Dwellings in Scotland, 2019)

This increase in the number of households at a time when the overall population is in steady decline can be accounted for by the continuing trend towards smaller households and in particular more single-person households.

2.6 Household Composition

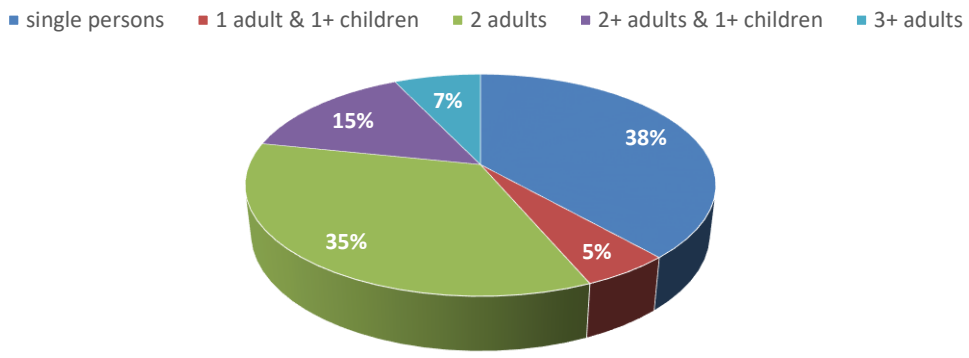
In the previous HNDA (published in 2016), the Household composition within Argyll and Bute was estimated to be primarily comprised of 1 or 2 persons, which was only a slight change from the breakdown recorded in the 2001 census. Current household composition data is available from the NRS household projections produced in 2020, based on 2018 estimates. This indicates a generally similar household breakdown, with single person and 2 adult households being predominant (38% and 35% of the total, respectively in 2021, compared to 34% and 33% in 2001). Both single parent families and households containing 3 or more adults have remained proportionately unchanged over the decade at 5% and 7% of the total households respectively; while the proportion of 2 adults with children has declined from 21% in 2001 to only 15% by 2021. The following graphs illustrates these changes in household composition between 2001 and 2021.

Fig 2.10:Household Composition Argyll & Bute 2001



Source: National Records of Scotland (2001 Census)

FIG. 2.11: Household Composition Argyll & Bute 2021



Source: National Records of Scotland (2020 Projections)

The NRS also provides an updated estimate for the number and percentage of households occupying dwellings in Scotland and local council areas, as of 2019 (published 2020), and those in receipt of the single adult discount. As summarised in the following table, this indicates that just under a third (32%) of occupied dwellings in Argyll and Bute comprised single adults compared to 37% in Scotland.

(Note, however, that this is a proxy estimate only as the discount is available not only to adults living alone, but also to single adults with children or households which may contain other adults who are exempt from council tax.)

Table 2.7: Dwellings by Occupancy, 2019

AREA	Total dwellings	Occupied dwellings	Dwellings with a single adult discount	Occupied dwellings (%)	Dwellings with a single adult discount (%)
Scotland	2,636,599	2,527,774	988,617	**96%**	**37%**
Argyll and Bute	48,110	42,784	15,408	89%	32%

Source: NRS Small Area Household Estimates by 2011 datazone, 2020

The average household size for Argyll and Bute was estimated to be 2.01 persons in 2018, a decrease of -6.3% over the previous decade, compared to only 1.4% decrease in Scotland as a whole.

Table 2.8: Average household size for Scotland and Argyll & Bute, June 2001 to 2018

AREA	2008	2018	Change (%)
Scotland	2.18	2.15	-1.4%
Argyll and Bute	2.15	2.01	**-6.3%**

Source: NRS

2.7 Population by Gender

Considering the gender of the Argyll and Bute population, estimates derived from the NRS 2018-based projections indicate a fairly balanced 50/50 split between males and females, which remains consistent over time.

Table 2.9: Argyll & Bute Population by Gender, 2001-2030

	2001		2021		2030	
	Number	**%**	**Number**	**%**	**Number**	**%**
Male	44878	49.2%	42327	49.9%	40301	50.3%
Female	46422	50.8%	42508	50.1%	39829	49.7%
Total	91300	100%	84835	100%	80130	100%

Source: NRS Population Projections, 2020

Similar trends are estimated across the HMAs.

3.0 Section 2: Population and Household Projections (variant scenarios)

3.1 National Records of Scotland (NRS) publish regular population projections for council areas and the most recent report was the Population Projections for Scottish Areas (2018-based) issued in March 2020. In July 2020, NRS and Improvement Services also published population projections for areas smaller than individual council areas, as defined by local authorities. These provide a new baseline for principle HMA level projections; and in addition the council has developed its own sub-area/HMA projections based on realistically achievable albeit more aspirational scenarios. The CHMA guidance does allow for local, disaggregated population and household projections to be used in the HNDA calculation as long as the methodology and assumptions that underpin these are made explicit. Therefore, in addition to the robust nationally-produced principal projections, the council has produced alternative projections in-house and further technical information on the modelling assumptions underpinning these are available from council staff.

3.2 Therefore, five[1] key population forecasts, for Argyll & Bute as a whole and for the 9 HMAs, have been produced:

- **A trend-based 'Main' or principal projection**: This projection extrapolates past trends into the future to show what the population will look like in future years should these trends continue. This is based on the official sub-area modelling produced in July 2020 by the NRS/ Improvement Service. Details of their methodology are available at: **https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland**

- **A trend-based 'Low Migration' projection**: based on past trends and the alternative migration assumptions used by NRS/Improvement service in its 2018-based low migration variant population projections. Details are available at the link above.

- **A trend-based 'High Migration' projection**: based on past trends and the alternative migration assumptions used by NRS/Improvement service in its 2018-based high migration variant population projections. Details are available at the link above.

- A policy-based forecast based on the scenario of **a stable population**. This was derived in-house by council staff, working with trainers and

[1] This excludes an additional scenario produced by the NRS nationally, based on zero migration outwith Scotland. The council has focused on the 3 key scenarios produced by the NRS, plus our own 2 in-house projections.

experts experienced in the use of the relevant Popgroup software package.

- A policy-based forecast based on the scenario of **a growing population**. This was also derived in-house, as above but validated by the Popgroup professionals who also support NRS/Improvement Services to produce the national estimates.

3.3 The 'Main' or principal projection assumes that past trends will continue into the future. If policies are enacted to encourage growth, and these policies are successful, then, with hindsight, the trend-based projections may prove to be inaccurate. The 'Growing Population Scenario' is designed to give an indication of what might happen if the Council and Community Planning Partnership achieve their overall objective of delivering "Economic Success Built on a Growing Population" which is in line with the Scottish Government's commitment to support declining rural authorities and stimulate the repopulation of the declining West Coast of Scotland.

3.4 Both the 'Stable' and 'Growing' population scenarios require net in-migration flows that are higher than either recent or long-term averages and are consequently less robust and more speculative than the official "main", "high and low migration" scenarios derived directly from the NRS projections. Technically, therefore, only the NRS-derived projections may be considered by the CHMA within the "robust and credible" HNDA appraisal; while the in-house policy-based, projections will be used to inform more aspirational Housing Supply Targets (and Land Requirement Targets) out with the HNDA process.

3.5 The two sets of areas for which projections / forecasts have been produced are:

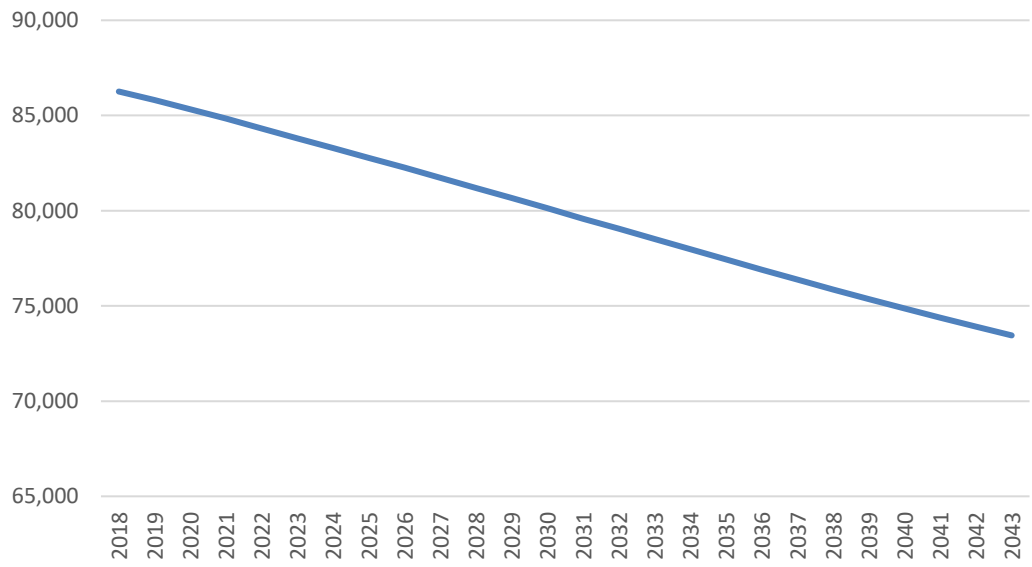
- The local authority area of Argyll and Bute as a whole;
- The 9 Housing Market subareas, as defined in HNDA Technical Supporting Paper 1, i.e. Bute; Coll & Tiree; Cowal; Helensburgh & Lomond; Islay, Jura & Colonsay; Kintyre; Lorn; Mid Argyll; and Mull & Iona.

3.6 The 9 HMA projections will be utilised as the basis of disaggregated inputs for the HNDA Tool calculation. It is acknowledged that normally certain HMAs (Coll & Tiree in particular) would be considered too small statistically in terms of population size to generate absolutely valid projections. However, through dedicated training sessions with professional experts in the field of demographic projections, and in the use of the licensed "Popgroup" software designed for this purpose, council staff are satisfied that this is a pragmatic

"best fit" approach, to enable the HNDA calculation to be run at the level of the individual HMAs taking account of the real variations in these local areas and, in the policy based scenarios, allowing for the potential for economic growth or stabilisation. As with all estimates and projections, a degree of caution is therefore required, and it should be understood that all outputs are purely indicative.

3.7 The 'Main' or principal projection suggests that there will be a continued decrease in the total population across Argyll and Bute.

Figure 3.1: Projected Total Population, Argyll and Bute, (2018 based), to 2043



Source: NRS Population Projections for Scottish Areas (2018-based)

Between 2018 and 2028, the population of Argyll and Bute is projected to decrease from 86,260 to 81,197. This is a decrease of 5.9%, which compares to a projected increase of 1.8% for Scotland as a whole. Over the planning period of the HNDA and next LHS, i.e. 2021 to 2026, Argyll and Bute is likely to experience a 3% decline in the population, while Scotland as a whole is expected to see population growth of 0.8%.

Argyll and Bute is projected to have the 5th lowest population out of the 32 council areas in Scotland in 2028, and the 3rd lowest percentage change in population size out of the 32 council areas in Scotland. Whereas migration changes are driving most population projections in Scotland, in Argyll and Bute the key factor is natural change (births minus deaths) which is projected to be lowest of all 32 councils in Scotland(-6.2% over the 10 year period from mid-2018 to mid-2028). Net migration in Argyll and Bute over this period is actually projected to be positive (i.e. overall inward migration) albeit this is marginal at +0.3%.

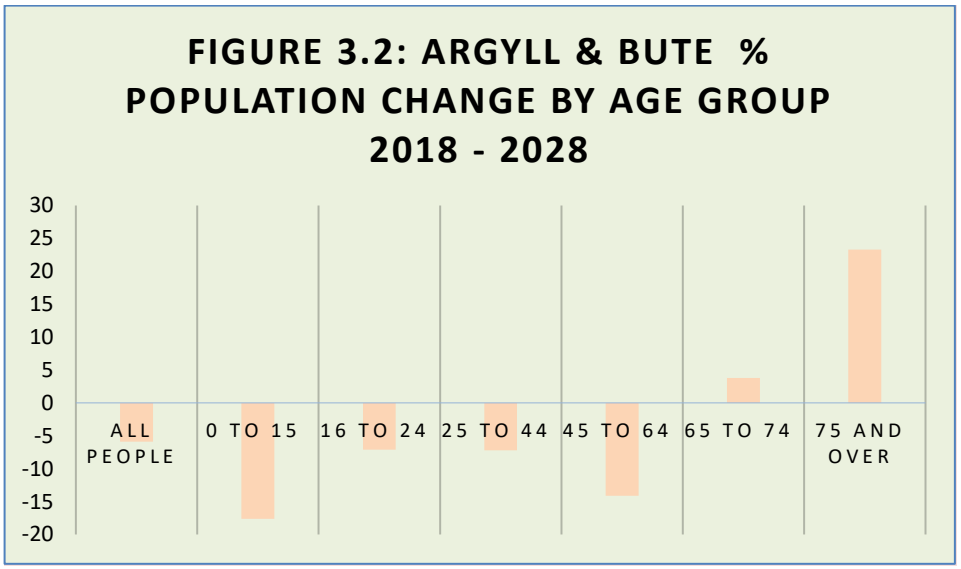
The average age of the population of Argyll and Bute is projected to increase as the baby boomer generation ages and life expectancy increases i.e. more people are expected to live longer.

Table 3.1: Projected population change by age group, 2018 and 2028

Age group	2018	2028	Argyll & Bute % change	Scotland % change
All people	86,260	81,197	-5.9	1.8
0 to 15	13,024	10,727	-17.6	-6.0
16 to 24	8,376	7,782	-7.1	-0.9
25 to 44	16,808	15,594	-7.2	3.1
45 to 64	26,092	22,420	-14.1	-5.5
65 to 74	12,324	12,789	3.8	14.4
75 and over	9,636	11,885	23.3	25.4

Source: Sub-National Population Projections (2018-based)

Between 2018 and 2028, the 0 to 15 age group is projected to see the largest percentage decrease (-17.6%) and the 75 and over age group is projected to see the largest percentage increase (+23.3%). In terms of size, however, 45 to 64 is projected to remain the largest age group.



Source: Sub-National Population Projections (2018-based)

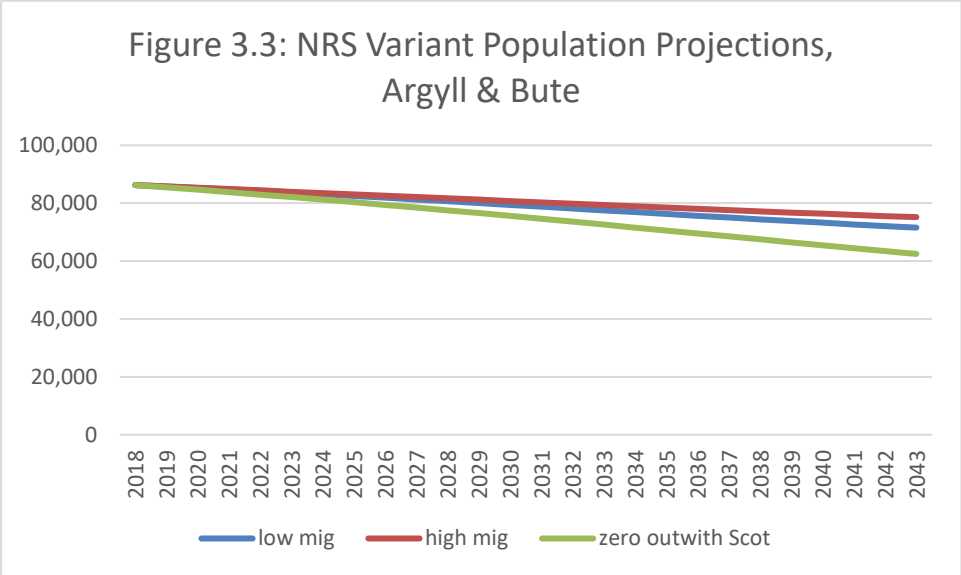
3.6 In addition to the principal or main projection, the NRS have also produced a number of alternative scenarios based on variant assumptions which include: high and low fertility rates; high and low migration; and a "special" model based on zero migration outwith Scotland. The following table summarises the results of selected variants, for Argyll and Bute over the period 2018 to 2028 with the different components of change for each scenario.

Table 3.2: Variant Population Projections, Argyll and Bute, 2018 - 2028

Variant Projections	Natural change	Net migration	Net Change	Population mid-2028
High Migration	-5312	863	-4449	81663
Principal Projection	-5329	411	-4918	81197
Low Migration	-5383	-61	-5444	80686
Zero Out with Scotland Migration	-5614	-2990	-8604	77528

Source: NRS Population Projections for Scottish Areas 2018-based.

The variant projections are further illustrated in the following graph for the period from 2018 to 2043.



Source: NRS Population Projections for Scottish Areas 2018-based.

The variants produce a significant range of outcomes: the High Migration projection results in a population estimate in 2028 which is 0.57% higher than the principal estimate, while the Low Migration projection is 0.63% lower. The special scenario for "zero out with Scotland migration" results in a substantial drop from the principal projection of 4.5%. (N.B. The zero outwith Scotland migration scenario assumes that there is no migration to or from Scotland, but internal migration within Scotland is still occurring. The council has decided ***not*** to use this particular demographic assumption in running the HNDA Tool.

Full details of the NRS methodology and assumptions are available at the following link: https://www.nrscotland.gov.uk/statistics-and-data

It is proposed that the HNDA Tool should be run with the NRS' official Principal, Low Migration and High Migration projections to provide a robust and credible range of estimates for the requirement for new build housing across Argyll and Bute over the LHS planning period and beyond. However, to take account of the council's strategic objectives, additional aspirational projections have been produced for a stabilising and growing population and these will also be input to the HNDA Tool to provide alternative options when setting Housing Supply Targets. There are justifiable assumptions underpinning these projections, in terms of realistic economic aspirations and the potential impact of strategic interventions, however it is acknowledged that these may not satisfy the "robust and credible" criteria for the actual HNDA. Full details of the in-house variant projections are recorded in the master Popgroup software files which were updated in 2020, and are archived on secure council systems. Copies can be made available for inspection on request.

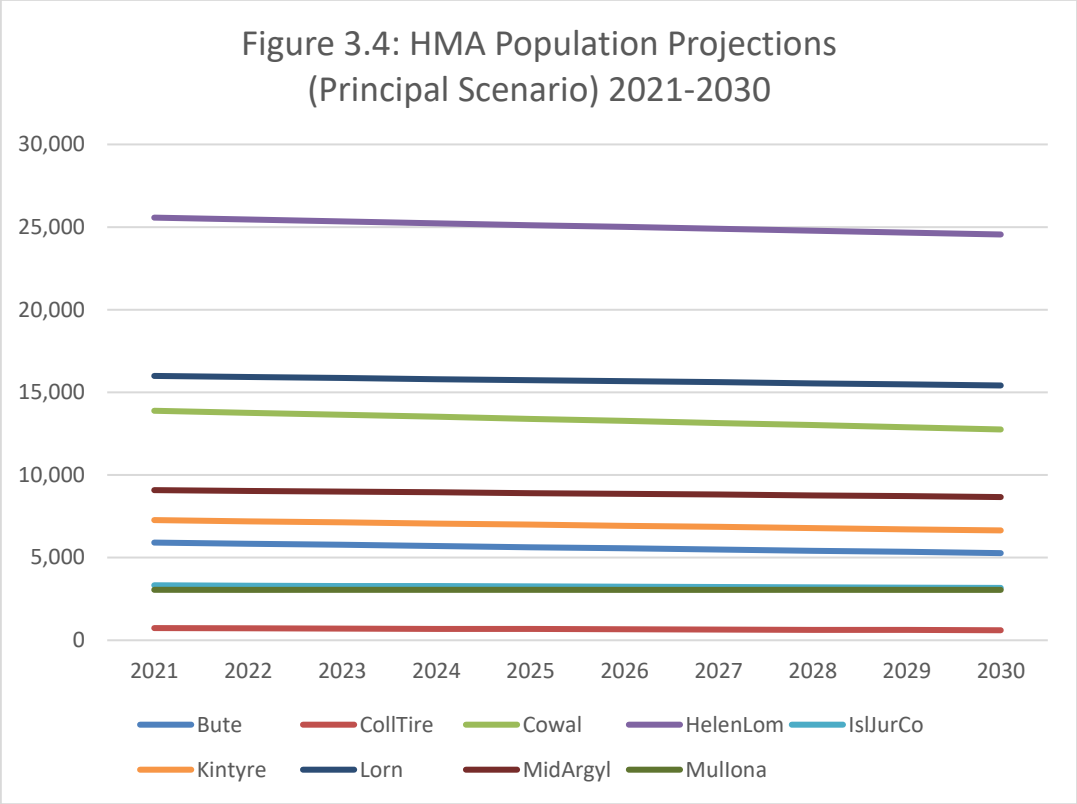
In 2020, the NRS collaborated with the national Improvement Service to create sub-council, small-area population projections for local authorities across Scotland, including bespoke HMA projections for Argyll and Bute. The following table summarises the projected changes for each HMA, under the principal scenario, between 2021 and 2030.

Table 3.3: Population Projections (principal Scenario) by HMA, 2021-2030

Year	Bute	Coll Tiree	Cowal	H&L	I J C	Kintyre	Lorn	Mid Argyll	Mull Iona
2021	5,911	737	13,886	25,571	3,328	7,271	15,993	9,084	3,054
2022	5,842	723	13,765	25,460	3,310	7,203	15,928	9,040	3,053
2023	5,772	707	13,641	25,341	3,291	7,134	15,862	8,994	3,052
2024	5,703	692	13,521	25,229	3,275	7,067	15,802	8,949	3,052
2025	5,632	677	13,397	25,113	3,256	6,996	15,738	8,904	3,052
2026	5,563	663	13,277	25,006	3,240	6,930	15,680	8,861	3,053
2027	5,491	648	13,149	24,887	3,222	6,859	15,614	8,813	3,053
2028	5,417	634	13,018	24,772	3,204	6,788	15,549	8,764	3,052
2029	5,345	620	12,889	24,662	3,187	6,718	15,485	8,715	3,053
2030	5,271	605	12,754	24,551	3,169	6,646	15,416	8,664	3,053
% Change	-11%	-18%	-8%	-4%	-5%	-9%	-4%	-5%	0.0%

Source: Improvement Services Small Area Population Projections, July 2020

In almost all cases there is a decline in the population, ranging from -4% in both Lorn and Helensburgh & Lomond; to -18% on Coll & Tiree, (NB. The projections for Mull & Iona do appear anomalous, with basically no change over the decade. However, this has been validated by the national Improvement Services who carried out the official modelling.)
The following graph illustrates population projections for the 9 sub-areas (the lowest statistically valid level of disaggregation for modelling purposes) based on this "main" or principal projection scenario for Argyll and Bute as a whole.



Source: Improvement Services Small Area Population Projections, July 2020

The national Improvement Services report on the small area population projections provides further detail of the components of change, including net migration, as summarised in the following table for the periods 2018-2025 and 2025–2030.

TABLE 3.4: Components of Population Change by HMA, 2018-25 & 2025-30

	2018-2025			***2025-2030***		
Area	***Natural change***	***Net migration***	***Total change***	***Natural change***	***Net migration***	***Total change***
Argyll and Bute	*-3,570*	*+75*	*-3,495*	*-2,990*	*+347*	*-2,643*
Bute	-439	-43	-482	-351	-11	-362
Coll and Tiree	-51	-55	-106	-45	-34	-79
Cowal	-960	+135	-825	-787	+144	-643
Helensburgh and Lomond	-756	+3	-753	-643	+81	-562
Islay, Jura and Colonsay	-186	+65	-121	-147	+61	-87
Kintyre	-396	-82	-479	-316	-34	-350
Lorn	-395	-35	-430	-355	+33	-322
Mid Argyll	-339	+42	-297	-303	+63	-239
Mull and Iona	-48	+45	-3	-43	+44	+1

Source: Improvement Services Small Area Population Projections, July 2020

The figures in the table above confirm that across Argyll and Bute natural change (deaths over births) significantly outweighs the impact of migration. Nevertheless, a number of HMAs are projected to experience a degree of positive in-migration, with Cowal having the highest number of in-migrants over the next decade. Unfortunately,

this does not impact on the overall population decline in the area, due to the high mortality rates.

Further adjustment of future population projections may be required once clearer evidence of the impact of “Brexit” becomes available, particularly on immigration trends.

In terms of changing demographics by age band at HMA level, the following table summarises the estimated percentage changes between 2020 and 2030.

Table 3.5: HMA Population Projections by Age Band, 2020-2030

2020-2020	0-15	16-24	25-64	65-84	85+
Argyll & Bute	-18%	-5%	-13%	12%	26%
Bute	-28%	-13%	-21%	9%	3%
Coll & Tiree	-52%	-36%	-52%	50%	-11%
Cowal	-23%	-10%	-16%	5%	30%
Helensburgh & Lomond	-21%	-6%	-10%	17%	31%
Islay, Jura & Colonsay	-13%	-16%	-7%	2%	29%
Kintyre	-22%	3%	-16%	5%	10%
Lorn	-13%	-6%	-11%	19%	24%
Mid Argyll	-13%	7%	-14%	10%	39%
Mull & Iona	-3%	10%	-6%	7%	52%

Source: Improvement Services Small Area Population Projections, July 2020

(NB. Again, Coll & Tiree HMA exhibits significant variations from Argyll & Bute and other HMAs but this is likely to be a factor of the small baseline population on these islands.)

The table above indicates that while there will be a decline in the number of children aged under 16 in all areas, this varies considerably, from only -3% on Mull & Iona to -28% on Bute (and -52% on Coll & Tiree). Conversely, the proportionate increases in those aged 85+ ranges from only 3% on Bute to 52% on Mull & Iona (again Coll & Tiree is an anomalous exception, with a decrease in this age group of -11%).

4.0 Household Projections

4.1 In September 2020, the NRS published household projections for every local authority in Scotland, based on the 2018 population estimates. The projections include a principal scenario and variants based on alternative assumptions about migration trends (high and low). Full details of the methodology and assumptions are outlined on the NRS website (See https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-projections/2018-based-household-projections)

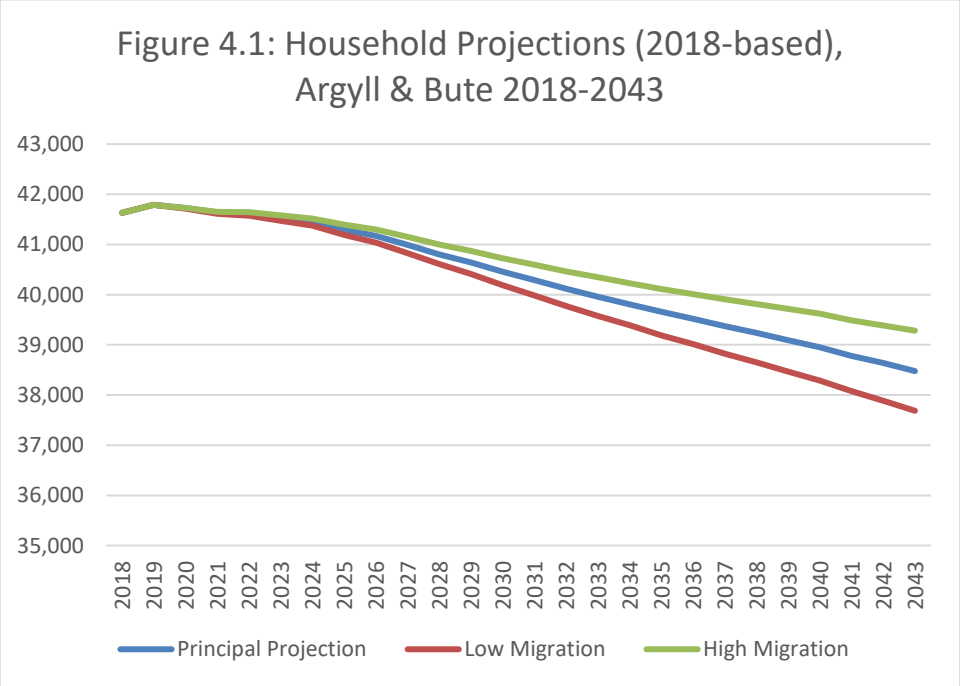
4.2 All three projections for Argyll and Bute (principal, high and low migration) indicate a steady decline in the number of households. Over the life of the next LHS, 2021-2026, the number of households in Argyll and Bute is projected to fall by over 1% from 41,635 to 41,170; and over the decade from 2021-2031 the figure will fall by over 3% to 40,292 under the principal scenario.

Table 4.1: Household Projections (2018-based), Argyll & Bute

Projections	2021	2026	% change 2021-26	2031	% change 2021-31	2043	% change 2021-43
Principal	41,635	41,170	-1.1%	40,292	-3.2%	38,476	-7.6%
Low Migration	41,613	41,036	-1.4%	39,986	-3.9%	37,686	-9.4%
High Migration	41,649	41,298	-0.8%	40,599	-2.5%	39,282	-5.7%

Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

4.3 The following graph illustrates the decreasing annual trend in households under all three official scenarios. Even under the more optimistic, high migration projection, the total number of households is expected to fall from 41,649 in 2021 to 41,298 in 2026 (-0.8%) and then to 40,599 by 2031 (-2.5%).



Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

4.4 While the overall projections suggest that there will be a long-term decrease in the total number of households across Argyll and Bute, there are variations between household types and areas. Thus, single person households and 2 adults with no children constitute the greatest proportion of households in Argyll and Bute, by far, and both types will increase marginally in number over the next decade; while single parent households, couples with children, and households with 3+ adults are all set to decline proportionately over the same period.

Table 4.2: Household Type Principal Projection, Argyll & Bute

Household Types	2021	% of Total	2026	% of Total	2031	% of Total
single persons	15996	38.4%	16061	39.0%	16021	39.8%
1 adult & 1+ children	2,153	5.2%	2,011	4.9%	1,919	4.8%
2 adults	14,426	34.6%	14,664	35.6%	14,423	35.8%
2+ adults & 1+ children	6,101	14.7%	5,618	13.6%	5,318	13.2%
3+ adults	2,959	7.1%	2,816	6.8%	2,611	6.5%
All Households	41635	100.0%	41170	100.0%	40292	100.0%

Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

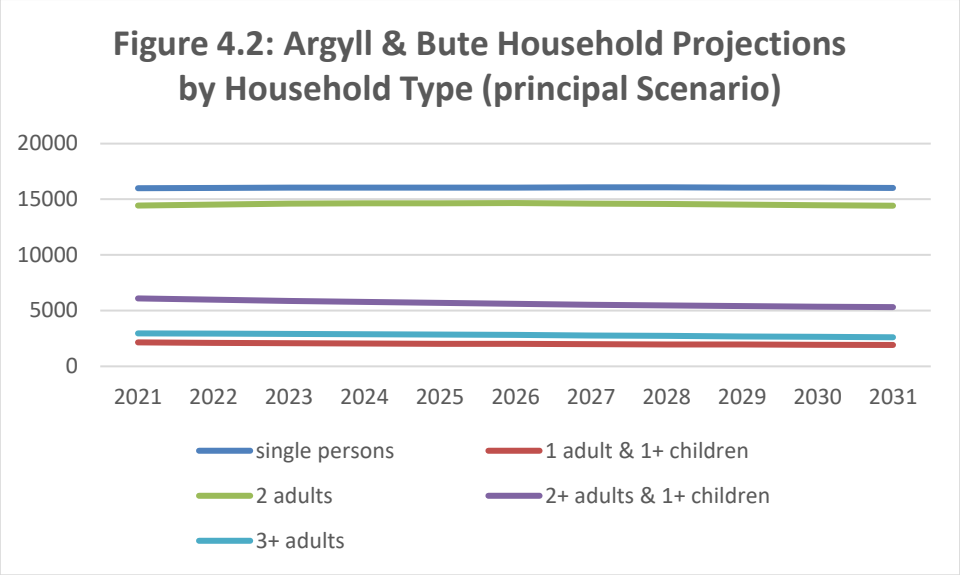
4.5 In terms of actual numbers, under the principal projection, single person households are projected to increase initially to 2026 then decrease slightly by 2031. Two adult households will see the biggest increase by 2026 (1.6%) and then fall back to 2021 levels. Single parent households are projected to decline by almost 11% over the next decade; households with 3+ adults will decrease by almost 12%; and 2 adults with children will decrease by 13%.

Table 4.3: Household Type, Principal Projection, Argyll & Bute, 2021-2031

Household Types	2021	2026	2031	% change 2021-2026	% change 2021-2031
Single Person	15996	16061	16021	0.4%	0.2%
1 adult & 1+ children	2,153	2,011	1,919	-6.6%	-10.9%
2 adults	14,426	14,664	14,423	1.6%	0.0%
2+ adults & 1+ children	6,101	5,618	5,318	-7.9%	-12.8%
3+ adults	2,959	2,816	2,611	-4.8%	-11.8%

Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

The following graph also illustrates these annual trends by household type under the official NRS principal projection.



Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

4.6 Alternative NRS Household Projections

As noted above, the NRS have also developed alternative household projections for Argyll and Bute as a whole, based on variant migration assumptions. The following tables and graphs illustrate these alternatives.

Table 4.4: Household Type Low Migration Projection, Argyll & Bute

Household Types	2021	% of Total	2026	% of Total	2031	% of Total
single persons	15,989	38.4%	16,012	39.0%	15,915	39.8%
1 adult & 1+ child	2,150	5.2%	1,996	4.9%	1,883	4.7%
2 adults	14,421	34.7%	14,630	35.7%	14,350	35.9%
2+ adults & 1+ child	6,095	14.6%	5,588	13.6%	5,241	13.1%
3+ adults	2,957	7.1%	2,809	6.8%	2,597	6.5%
All Households	41,613	100.0%	41,036	100.0%	39,986	100.0%

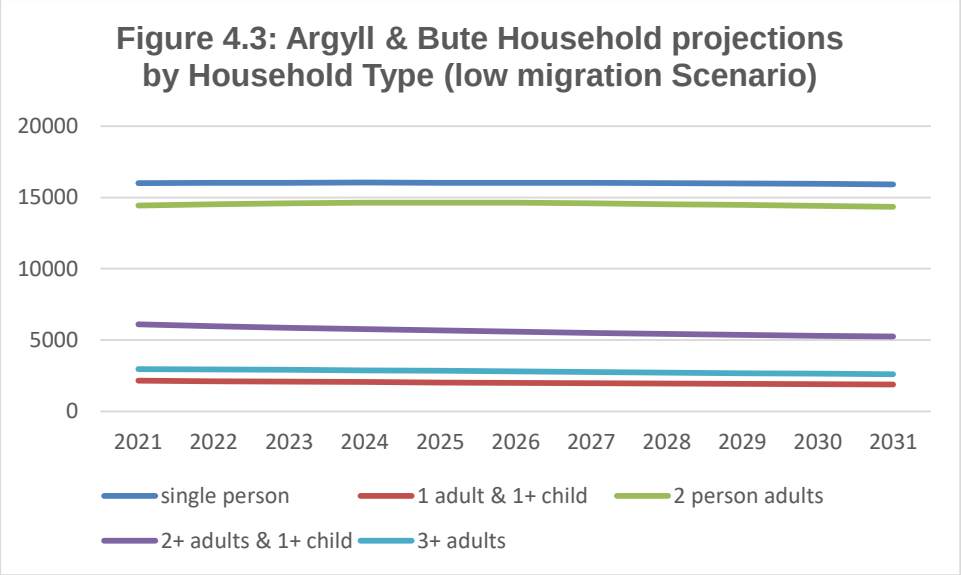
Source: NRS, 2020

Table 4.5: Household Type, Low Migration Projection, Argyll & Bute, 2021-2031

Household Types	2021	2026	2031	% change 2021-2026	% change 2021-2031
Single Person	15989	16012	15915	0.14%	-0.46%
1 adult & 1+ children	2,150	1,996	1,883	-7.16%	-12.42%
2 adults	14,421	14,630	14,350	1.45%	-0.49%
2+ adults & 1+ children	6,095	5,588	5,241	-8.32%	-14.01%
3+ adults	2,957	2,809	2,597	-5.01%	-12.17%
All Households	41,613	41,036	39,986	-1.39%	-3.91%

Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

The following graph also illustrates these annual trends by household type under the official NRS *low migration* projection.



Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

The third, more optimistic scenario for *high migration* is set out below.

Table 4.6: Household Type High Migration Projection, Argyll & Bute

Household Type	2021	% of Total	2026	% of Total	2031	% of Total
Single Person	16,000	38.4%	16,098	39.0%	16,116	39.7%
1 adult & 1+ child	2,156	5.2%	2,027	4.9%	1,949	4.8%
2 adults	14,427	34.6%	14,693	35.6%	14,508	35.7%
2+ adults, 1+ children	6,107	14.7%	5,656	13.7%	5,395	13.3%
3+ adults	2,959	7.1%	2,824	6.8%	2,631	6.5%
All households	41,649	100.0%	41,298	100.0%	40,599	100.0%

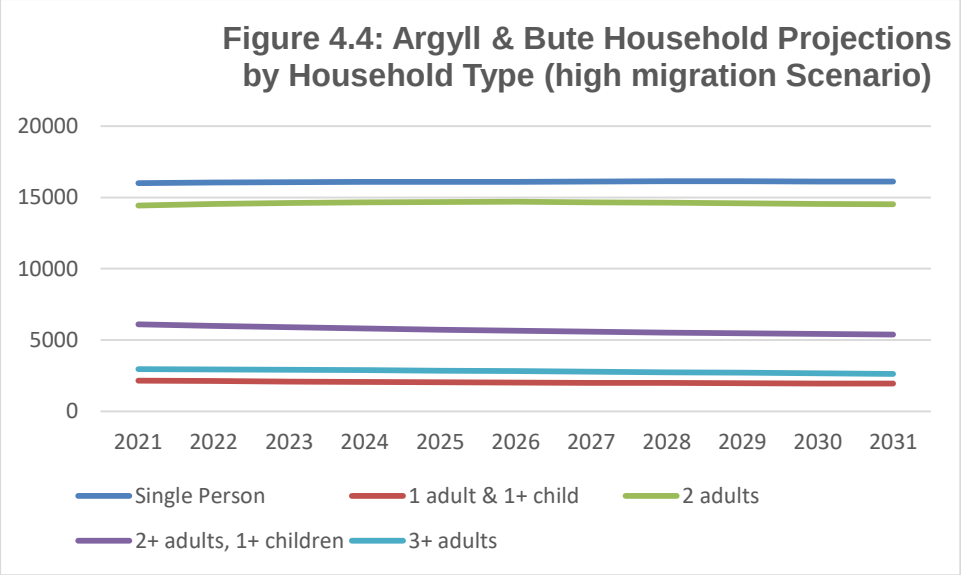
Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

Table 4.7: Household Type, High Migration Projection, Argyll & Bute, 2021-31

Household Types	2021	2026	2031	% change 2021-2026	% change 2021-2031
single persons	16,000	16,098	16,116	0.61%	0.73%
1 adult & 1+ child	2,156	2,027	1,949	-5.98%	-9.6%
2 adults	14,427	14,693	14,508	1.84%	0.56%
2+ adults & 1+ child	6,107	5,656	5,395	-7.38%	-11.66%
3+ adults	2,959	2,824	2,631	-4.56%	-11.08%
All Households	41,649	41,298	40,599	-0.84%	-2.52%

Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

The following graph also illustrates these annual trends by household type under the official NRS *high migration* projection.



Source: Household Projections for Scotland (2018-based) Detailed Scottish Area Tables, NRS, 2020

4.7 HMA-Level Household Projections

There are no official, national household projections at sub-council level, under any scenario; consequently the council will run its own HMA-level projections for households, which are derived from the official population projections.

The official 'main, high and low migration' projections assume that past trends, both in terms of location and demographics, will continue into the future. If policies are enacted to encourage growth, and these policies are successful, then, with hindsight, the projections may prove to be inaccurate. The additional ‘Stabilising Population’ and 'Growing Population’ scenarios run in-house by the council also inform the household modelling projections and indicate increasing numbers of households in Argyll and Bute. However, the ‘Stable Population’ scenario suggests a slight decline in the number of households in Bute and Kintyre; while the ‘Growing Population’ scenario suggests increasing numbers of households in all areas; with the Mull & Iona and Islay, Jura & Colonsay HMAs exhibiting most notable increases under both scenarios. (It should be noted that these in-house forecasts were produced prior to the publication of the 2020 population datasets, and are derived from previous 2016-based population projections, rather than the latest 2018-based figures which underpin the official national scenarios. Nevertheless, while absolute values may be less robust, the general indicative trends are considered credible.)

TABLE 4.8: Variant Household Projections - Stable Population, (2016-based), 2021-31

Stable Scenario	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030*	*2031*	% Change
Argyll & Bute	41,718	41,927	42,091	42,250	42,365	42,499	42,640	42,770	42,899	43,015	43,146	3.43%
Bute	3,309	3,311	3,311	3,306	3,300	3,298	3,295	3,292	3,291	3,285	3,282	-0.81%
Coll & Tiree	395	396	396	397	396	399	401	402	404	405	406	2.67%
Cowal	7,155	7,173	7,178	7,183	7,184	7,185	7,189	7,187	7,185	7,181	7,177	0.31%
Helensburgh & Lomond	11,774	11,862	11,934	12,000	12,047	12,109	12,176	12,242	12,310	12,371	12,435	5.61%
Islay, Jura & Colonsay	1,670	1,681	1,693	1,705	1,716	1,731	1,744	1,756	1,771	1,787	1,799	7.73%
Kintyre	3,688	3,692	3,694	3,689	3,686	3,681	3,679	3,675	3,671	3,664	3,662	-0.71%
Lorn	7,686	7,734	7,771	7,818	7,856	7,883	7,913	7,945	7,971	7,993	8,030	4.47%
Mid Argyll	4,523	4,540	4,555	4,574	4,582	4,596	4,604	4,612	4,619	4,634	4,644	2.66%
Mull & Iona	1,516	1,539	1,559	1,578	1,599	1,619	1,639	1,658	1,677	1,695	1,713	12.96%

Source: In-house Council Projections, PopGroup, 2020

TABLE 4.9: Variant Household Projections - Population Growth Scenario – 0.5% annually all HMAs, (2016-based), 2021-31

Growth Scenario (0.5% annual all areas)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	% Change
Argyll & Bute	42,348	42,775	43,157	43,538	43,876	44,236	44,605	44,965	45,327	45,678	46,048	8.74%
Bute	3,378	3,404	3,427	3,446	3,463	3,486	3,507	3,526	3,550	3,567	3,589	6.23%
Coll & Tiree	410	417	422	428	431	439	446	452	460	466	472	14.90%
Cowal	7,245	7,293	7,329	7,366	7,398	7,431	7,468	7,499	7,530	7,559	7,590	4.76%
Helensburgh & Lomond	11,920	12,060	12,184	12,303	12,405	12,523	12,648	12,772	12,899	13,020	13,146	10.28%
Islay, Jura & Colonsay	1,709	1,733	1,759	1,784	1,808	1,836	1,862	1,888	1,917	1,947	1,973	15.42%
Kintyre	3,750	3,775	3,798	3,814	3,833	3,848	3,868	3,886	3,902	3,916	3,936	4.95%
Lorn	7,774	7,852	7,920	7,998	8,068	8,126	8,189	8,253	8,312	8,369	8,439	8.56%
Mid Argyll	4,598	4,640	4,680	4,726	4,760	4,800	4,835	4,870	4,904	4,947	4,984	8.39%
Mull & Iona	1,563	1,602	1,638	1,673	1,710	1,746	1,782	1,817	1,852	1,887	1,920	22.88%

Source: In-house Council Projections, PopGroup, 2020

4.8 Significant variations are evident across the sub-areas, for each of the 5 primary scenarios (i.e. the 3 official, nationally derived, trend-based projections and 2 in-house, council generated, policy-based forecasts). The following table sets out the estimated household totals for each HMA and Argyll & Bute as a whole, which would result over the next decade under each of these scenarios.

Table 4.10: Household Projection Scenarios by HMA, at 2031.

	Household Scenarios: Projected Totals by 2031				
	Official NRS/IS Projections			Council Projections	
Area	Main	High Migration	Low Migration	Stabilising	Growth
Argyll and Bute	40,292	40,599	39,986	43,146	46,048
Bute	3,256	3,281	3,231	3,282	3,589
Coll & Tiree	437	440	434	406	472
Cowal	7,109	7,163	7,055	7,177	7,590
Helensburgh and Lomond	10,805	10,887	10,723	12,435	13,146
Islay, Jura & Colonsay	1,681	1,693	1,668	1,799	1,973
Kintyre	3,692	3,720	3,664	3,662	3,936
Lorn	7,385	7,441	7,329	8,030	8,439
Mid Argyll	4,455	4,489	4,422	4,644	4,984
Mull & Iona	1,472	1,483	1,460	1,713	1,920

Source: CHMA/HNDA Tool & Argyll & Bute Council PopGroup Modelling, 2019/20

The 'Growing Population Scenario' is designed to give an indication of what might happen if the Local Outcome Improvement Plan's overall objective that 'Argyll and Bute's Economic Success is built on a Growing Population' is achieved. The council considered alternative growth scenarios, including one which focused on growth in the most likely HMAs such as Lorn, Helensburgh & Lomond, and islands like Islay where particular opportunities for economic development and regeneration have been identified and where strategic activity is being targeted. However, on balance, and given the aspirational nature of the growth assumptions, it was agreed to work on the basis of an overall, consistent rate of growth across all 9 HMAs. Without definitively quantifiable figures for running growth scenarios, a basic assumption of an ambitious but potentially achievable rate of growth of 0.5% per annum has been utilised.

The major investment secured via the Argyll & Bute Rural Growth Deal, and a range of policy interventions already being implemented such as resettlement grants and assistance for incoming workers and families, in tandem with potential, albeit speculative, behavioural shifts arising from the longer term impacts of the pandemic (stimulating greater levels of in-migration, relocation, home-working and so on) would all serve to justify the assumption of a potential population growth scenario. It should be noted however that both the stable and growing population scenarios require net in-migration flows that are higher than either recent or long-term recorded averages.

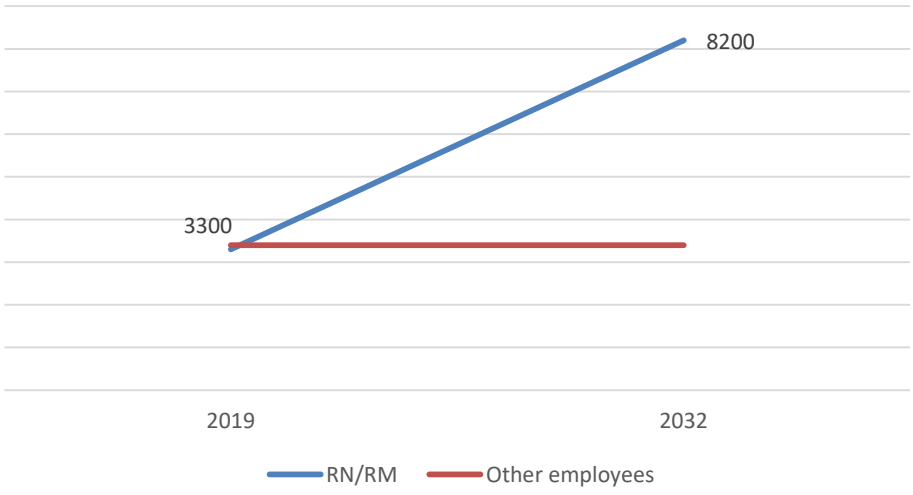
5. NOTE ON APPROACH TO INSTITUTIONS/MoD BASE

5.1 The NRS report "Population Projections for Scottish Areas, 2018-based" published in March 2020, contains the following methodological statement regarding "special populations":-

*The population projections treat **armed forces** and **prisoners** as special populations. The age and sex structure of these populations remain fairly consistent over time and are atypical of the underlying population of an area. An average of the special populations is calculated from estimates from the five years preceding the projections. The resulting number is removed at the start of each year and added back in at the end*.

5.2 However, the assumption of a steady-state, self-contained population at the Faslane naval base in Argyll and Bute is not currently accurate, as the MoD have implemented plans to develop HMNB Clyde as the single base for submariners across the UK, and are already re-deploying service personnel to this location. It would be reasonable to assume that over time, there will be a further growth in the local population as families and dependents of serving or retiring military personnel eventually start to relocate too, and settle permanently in the area. Projecting these ancillary population trends are problematic in the short-term, however the MoD has provided baseline data on projections for increased active service personnel over the next decade. The basic projections are summarised below. Taken in tandem with the current MoD policy of promoting community-based residence outwith the base, this increase in serving personnel will have an impact on the local housing system and requirements for additional housing. Further details of this issue are set out in the Helensburgh and Lomond Housing Market Study, 2018, and in the additional HNDA Technical Supporting Papers on Economic Trends, and the Housing and Support Needs of Veterans and Serving Military Personnel.

Figure 5.1: Number of employees at HMNB Clyde 2019-2032



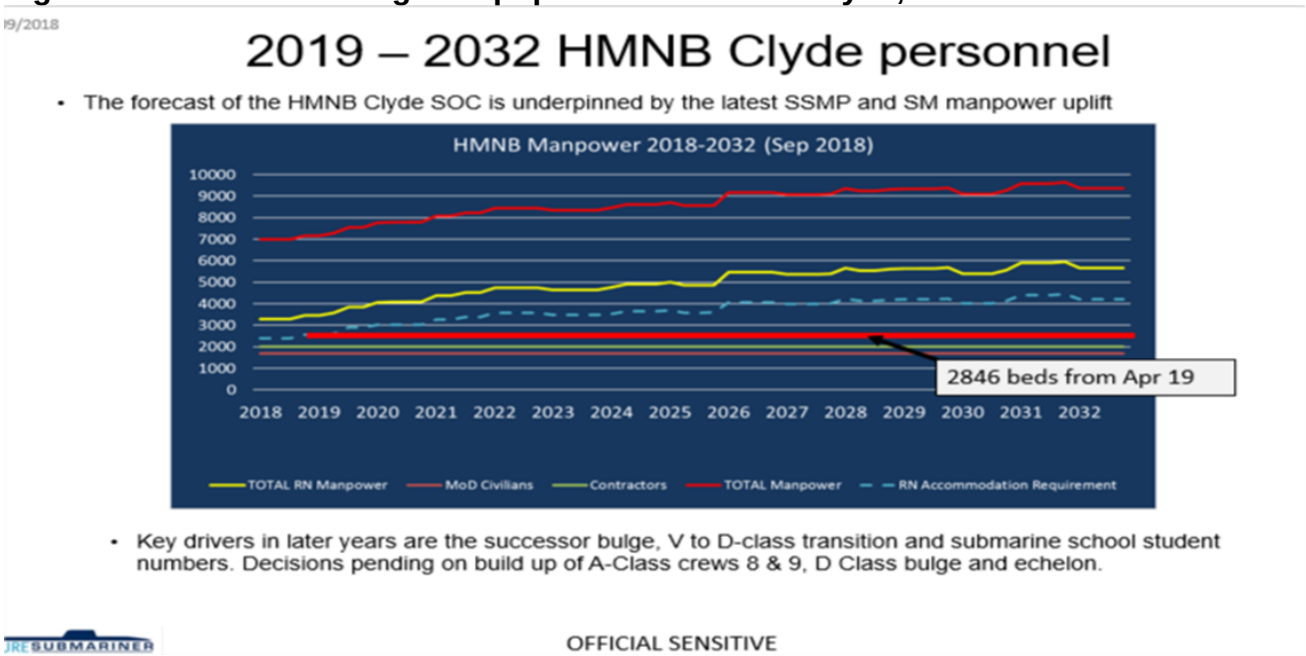
Source: EKOS Economic and Social Development – Faslane RN base expansion economic impact report – Report for Scottish Enterprise August 2019

5.3 The Ekos report, published in 2019, on the economic impact of the proposed expansion of the Faslane RN Base noted that:-

"The base currently supports 3,400 military personnel and a similar number of civilian contract staff largely employed by their main contractors……..the Strategic Delivery and Development Framework (SDDF) which will support the development of the base will include infrastructure improvements to accommodate the increase in personnel, which will see some additional 5,000 service personnel, many with families, and a further 1,000 construction jobs created".

5.4 The Ekos report goes on to say that between 2018 and 2032 HMNB Clyde will become the UK's single Submarine Operating Base. This will see: two Trafalgar Class Submarine move from Plymouth to Faslane by 2020 (the remaining two will be decommissioned); a further 4 Astute SSNs will arrive at Faslane as they commission into the RN by 2024; the 4 new Dreadnought SSBNs will arrive at Faslane from 2028; most of Submarine Shore training will move to Faslane by the mid-2020s; increases to support staff (medical, UPO etc.) to meet additional demand; training school opening in February 2020 at base (moving from Portsmouth)".

Figure 5.2: Forecast changes in population of HMNB Clyde, 2019-2032.



5.5 While these forecasts are subject to further amendment, the available data is at least indicative of the potential scale of the proposed changes over the next decade or so. The anticipated growth at and around the Base will be considered outwith the HNDA, when setting Local Housing Supply Targets.

6.0 NOTE ON IMPACT OF COVID-19 ON DEMOGRAPHIC TRENDS

Population and COVID-19: "Scotland's Population 2019: *The Registrar General's Annual Review of Demographic Trends"* includes the following statement:-

6.1 "The population estimates are updated each year, with the latest figures relating to the population as at 30 June 2019 (commonly referred to as mid-2019). Population projections are published every two years, and the most recent projections are based on the mid-2018 population.

As a result, these statistics do not take into account recent changes, such as the increase in deaths due to COVID-19, or the changes to migration as a result of travel restrictions imposed during the pandemic. Further information on the latest deaths involving COVID-19 can be found in Chapter 1 – Deaths involving COVID-19, and some insights into recent travel patterns can be found in Chapter 6 – Migration.

Next year (i.e. 2021), we will be able to use the mid-2020 population estimates to improve our understanding of the impact of the pandemic on Scotland's population. Nevertheless, the latest statistics in this (report) can provide some helpful insights into the current demographic makeup of Scotland. We know that older people are more at risk of becoming seriously ill from COVID-19, so these statistics can be used to quantify the older population, and how this varies across different areas of Scotland."

6.2 The NRS have also provided this council with the following comment.

"The official NRS population projections are based on past trends and are not population forecasts. There are often differences in the projected population between projection periods, due to changes in demographic trends in the intervening years. Additionally, the projections become more uncertain for further years. An explanation in the differences between the 2016-based and 2018-based projections can be seen on page 24 of the NRS report, "Population Projections for Scottish Areas 2018-based". As a result, we won't see the impact of COVID on projections until the next set of projections are produced. There is so much uncertainty on how it will impact mortality and migration that it is not possible to speculate on how it will affect future projections. The variants produced by the NRS are plausible alternative population scenarios, but are not upper and lower limits of future populations."

6.3 The NRS go on to note that they always use the latest available demographic information in their statistics, which will feed into the projections. It is clear that the full impact that COVID will have on these trends is currently unknown and unquantifiable. The NRS do produce a weekly publication on deaths involving COVID-19 (https://www.nrscotland.gov.uk/covid19stats) and migration statistics for Scotland are produced quarterly (https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/migration/migration-statistics-quarterly-summary-for-scotland).

7.0 NOTE ON IMPACT OF "BREXIT" ON DEMOGRAPHIC TRENDS

7.1 A number of independent studies and responses to Scottish Parliament consultation in recent years (including the Royal Society of Edinburgh, COSLA et al), have identified issues regarding the negative impact of leaving the European Single Market and Customs Union, not only on the economy but also on demography. It is envisaged that Scotland as a whole will be particularly disadvantaged. It is likely that the underlying demographic trends outlined in this paper will be exacerbated in an area such as Argyll & Bute; with low birth rates and increasingly older population the area's workforce could diminish below sustainable levels. Any potential growth will be based primarily on positive in-migration rather than significant variations in the "natural change" of increased births over deaths. While the proportion of overseas migration is only a small component of the local population, nevertheless, without this migration the local population will continue to stagnate, at best, or see further severe decline.

7.2 Tighter border controls and increased restrictions on immigration will reduce the level of EU economic migrants into the area and into crucial employment sectors such as Health & Social Care, construction, hospitality, agriculture and fishing. Immigrants tend to be of working age. This is true for Scotland with 80% of EU nationals falling into this category. The increase in the size of the working age population has slowed the ageing of the population in both Scotland and the UK. If there is a substantial decline in EU net migration post Brexit, the pace of population ageing will accelerate. The Registrar General for Scotland's current central population projections predict that the number of pensioners will rise by 28% over the next 25 years, while the working age population will rise by only 1%. The projections for Argyll and Bute are considerably worse. Population ageing is predicted to progress more quickly in Scotland than in the UK as a whole, partly because migrants have disproportionately chosen to settle in England rather than Scotland. Argyll and Bute has been historically reliant to a degree on economic in-migration, as well as being subject to significant levels of older retirees and non-working age incomers relocating for lifestyle choices, albeit most of the latter categories do not originate overseas. Overall, however, it is very likely that this area could experience disproportionate negative impacts as a consequence of the obstacles and disincentives that will curtail movement post Brexit.

7.3 At the time of writing it is not possible to quantify the potential impact of "Brexit" on the future demographic trends for Argyll and Bute, nor to determine definitively what the direct and indirect implications will be, both in terms of the population and the operation of the local housing system; however it is likely that there will a significant impact on housing need and demand in the future. This will require ongoing monitoring and further analysis in due course as more robust data becomes available.

8.0 Conclusion

7.1 Key issues for the HNDA and LHS

- The Argyll and Bute HNDA will utilise demographic projections derived from the National Records of Scotland 2018-based projections (published in 2020) as the baseline “robust and credible” scenarios. Each selected scenario (principal, low migration and high migration) indicates an overall decline in the total population and in the number of households in Argyll and Bute over the next 10 years and well beyond. Between 2018 and 2028, for example the principal projection estimates a net decrease of 4,918 persons, while the low migration projection estimates a net decline of 5,444; and even the optimistic high migration projection indicates a decrease of 4,449 individuals.

- There are however significant variations across the HMAs. In most areas the rate of population decline will vary over the next decade (2021-2031), from -4% in both Lorn and Helensburgh & Lomond, to -18% in Coll & Tiree. The Mull & Iona HMA appears to be stable over the next decade with no change.

- A key challenge, as a result of this projected decline in the population (and consequently, on the face of it, a crude reduction in the level of housing need), will remain the justification for, and securing of, public sector investment and other resources in order to sustain a strategic, affordable housing development programme in the future, with a view to stimulating sustainable growth.

- The population profile, as expected, will continue to age almost exponentially with more, older households who will represent an increasing share of the total number of households; and consequently there will be significant declines in both younger persons and the economically active age cohorts. Primary research indicates that the majority of the older population will continue to live in their own homes and mainly occupy the private sector as they age. While there will be a requirement, therefore, for additional purpose-built, accessible housing to meet the particular needs of an ageing population, the main strategic implications are likely to focus on improving existing stock and for the repair and maintenance of properties, particularly in the private sector, as well as the provision of care and support services required to enable this. This will be considered in more detail in the HNDA chapter on Core Output 3, Specialist Provision.

- The decline in younger persons and particularly those of working age, who contribute to the funding of service provision as well as to staffing relevant workforces and also to the overall health of a balanced housing system and to the sustainability of local communities, will also present real challenges. Reversing this trend will continue to be a strategic priority for the council and its partners, and therefore there will need to be a balance struck between delivering and maintaining a housing supply which

addresses local needs but which also helps to stimulate growth and attract new households to the area.

- Single person households are currently the largest category of households within Argyll and Bute and are set to remain so in the foreseeable future, with couples (2 adults only) making up the next main category of households, and these too are likely to increase over time. Therefore, there will be a requirement for a range of flexible options available to accommodate smaller household units, primarily one and two bedroom properties; whilst still seeking to attract and retain larger, family households.

- The ethnic minority component of the local population remains statistically and numerically very small, as far as available data can evidence; and the historical trends for these groups generally do not indicate any significant implications for the HNDA or LHS, but will of course continue to be monitored on a case by case basis. This will be considered further in Core Output 3.

ADDENDUM 2021

This paper should be considered in tandem with the full, final HNDA Report which provides an updated approach to the preferred household projections for Argyll and Bute based on an approved and fully justified growth scenario of 0.5% per annum across all housing markets. This is in line with local and national strategic aspirations for repopulation and economic recovery, particularly in the West of Scotland and across rural and island communities. The projections are derived from official 2018-based NRS projections, but vary from both the default projections based on historic trends and the initial in-house growth scenario presented in this paper. All other demographic data and analysis set out in this paper however remains relevant and valid, and provides context for the HNDA assessment and subsequent policy decisions.