Isle of Mull Strategic Housing Review

March 2019

PRODUCED BY RURAL HOUSING SCOTLAND

Contents

1. Introduction

1.1 Rural Housing Scotland were commissioned by Argyll and Bute Council to provide a strategic review of the local housing system on the Isle of Mull, summarising key issues and factors in relation to housing and the local economy.

1.2 This short-term study involved a desk-top review of relevant materials and information; engagement with designated key stakeholders, and the preparation of the following report outlining challenges and opportunities for the Mull Housing Market.

1.3 The purpose of this final report is to help inform the next Housing Need and Demand Assessment, Local Housing Strategy and Strategic Housing Investment Plan.

1.4 The report focuses on four themes:

Theme 1: Argyll and Bute Council Guidance, Policies and Strategies. Including: the current Local Development Plan; Local Development Plan 2; Empty Homes; Fuel Poverty and Energy Efficiency.

Theme 2: Island Infrastructure

Theme 3: Interests in Housing Development on the island

Theme 4: Potential Development Models

2. Local Development Plan (LDP) Summary

2.1 **Local Development Plan**

2.1.1 The LDP "fully recognises the need to ensure that our housing supply meets the needs and aspirations of the wide variety of households across Argyll and Bute in the interests of encouraging and supporting a *growing population and thriving local economy*.".

2.1.2 Three Key challenges highlighted in the LDP relating to housing and economic growth are:

- There is an urgent need to reverse static or falling populations in some of our Main Towns and Key Settlements by making them better places to live particularly for economically active families.
- There is an urgent need to reverse static or falling populations in some of our smaller rural communities by making them better places to live particularly for economically active families.
- That we can create the best possible environment for competitive businesses, entrepreneurship and innovation to thrive without undermining our future potential in delivering economic growth.

2.1.3 In the current LDP, there are 15 settlements and 21 allocations and PDAs on the Isle of Mull concerning housing. The allocations, PDAs and Settlements can be found in Appendices C and D.

2.1.4 Adopted LDP housing and economic policy are aimed at supporting sustainable economic growth whilst protecting factors such as environmental considerations. An example of this is housing development in Countryside Zone. Whilst it is not generally supported by LDP policy, there is the potential to demonstrate an exceptional case based on an operational and locational need to be in a precise location.

2.2 Local Development Plan 2 (LDP2)

2.2.1 Argyll and Bute Council began consulting on the next LDP in October 2017. The first formal stage of the LDP2 process was the Main Issues Report. The report set out, through a series of questions, how the proposed new Local Development Plan 2 might differ from the existing Local Development Plan and asked people's views on those proposals.
A key consideration for LDP2 is the 'deliverability' of development.

2.3 Existing Sites Assessment for LDP2

2.3.1 As part of the LDP2 process, a range of sites included in the current Adopted LDP that are still available for development have been assessed. Sites that Argyll and Bute Council consider unlikely to deliver over the course of the next LDP (2025) have been given an initial rating of either Red or Amber. Out of the 21 sites concerning housing, 15 were given either a red or an amber rating (Appendix D).

2.4 Call for Sites for LDP2

2.4.1 Argyll and Bute Council held a 'Call for Sites' from 8th June until 8th December 2016 for landowners and developers to submit potential sites for inclusion in Local Development Plan 2. The sites were assessed based on the information supplied and further investigation to see if the sites are effective i.e. they are suitable for development, there is a need for this development and they are capable of being developed. All proposed sites received a red or amber rating (Appendix D).

2.5 Reasons for Considering removing sites from LDP2

2.5.1 The consideration of removal of an allocation or Potential Development Area is not always intended to remove development potential but to try and stimulate a different form of development. Allocations and PDAs require a more co-ordinated development approach that demonstrates how the whole site will be delivered. In certain locations the replacement with Settlement Zone (potentially reduced in size in certain situations) is hoped would allow more incremental development to occur. Paragraph 4.8 of the Main Issues Report explains that part of the reason for removing sites that are unlikely to deliver in the lifetime of LDP2 is to allow all development stakeholders to focus their attention and resources on sites that have greater potential.

2.5.2 The most common reason for PDAs being reconsidered are that they have been long-standing LDP PDAs without much indication of intention to develop. Some PDAs, however, were requiring further discussion with interested parties to discuss plans. For example, whilst the West Ardhu PDA is a long-standing site, there is an active feasibility study in place to investigate the potential for delivering 5 new units by March 2021.

2.5.3 The two other major considerations for allocations and PDAs are access and topographical issues.

3. Registered Social Landlords (RSLs)

3.1 **Providers of Affordable Housing Stock on Mull**

3.1.1 The primary providers of Affordable Housing Stock for Rent are West Highland Housing Association (WHHA) and Argyll Community Housing Association (ACHA) with Trust Housing Association providing 29 homes primarily for older households.

Table 1: HOME Argyll Stock on the Isle of Mull:

Area	WHHA	ACHA	Total
Fionnphort	8	1	9
Bunessan	12	21	33
Lochdon	1*	0	1*
Craignure	13	19	32
Salen/Aros	0	30	30
Tobermory	70	19	89
Dervaig	4	3	7
Ulva Ferry	1	0	1

*West Highland Housing Association are currently developing 14 new properties in Lochdon due for completion Summer 2019. This is a mixed development with 8 New Supply Shared Equity units and 6 units for Social Rent.

Table 2: Trust Housing Stock on the Isle of Mull:

Dervaig	4
Tobermory	25

3.2 Challenges:

3.2.1 The RSLs have had issues with lack of demand for Tobermory and Bunessan. However, West Highland Housing Association reported that despite there being low or no demand according to the HOME Argyll waiting list, it is common for their staff to identify potential tenants through the use of local contacts.

3.2.2 This highlights an issue in identifying the priority areas for housing investment. It is difficult to demonstrate demand accurately if households are not registering on HOME Argyll which could potentially lead to pressure ratios being lower than they should be.

3.2.3 Although Major Improvement plans are agreed, budgeted for and expected to be delivered, there are challenges with older stock requiring higher levels of investment and intervention.

4. Empty Homes

4.1 Empty Homes on Mull

4.1.1 The natural turnover of properties generally falling into the long-term/empty and exempt categories results in regular fluctuations in the numbers of properties subject to the premium council tax charge.

Table 3: Empty Homes Figures for the Isle of Mull[i]

All Empty Properties	Total
Long-term / empty	39
200% levy	24
Empty & exempt from council tax*	36
Total	99

* Exemption occurring due to being under repair, between occupiers, deceased owner, living elsewhere, recently repossessed or subject to closing orders.

4.2 Empty Homes Target

4.2.1 There is no Mull specific target. Argyll and Bute Council's Local Housing Strategy sets a target of 25 empty properties brought back into use per annum across the local authority area as a whole.

4.3 Location of Empty Properties

4.3.1 The majority of empty properties on Mull are located in the Tobermory (44) and Bunessan (11) areas. Due to the small number of empty properties in other settlements, they have been excluded to avoid identification.

5. Fuel Poverty

Table 4: Fuel Poverty Rates Comparisons[ii]

Isle of Mull	37%
Argyll and Bute	44%
Scotland	27%

5.1 Fuel Poverty and Energy Efficiency Targets for Mull

5.1.1 Argyll and Bute Council have set a general 'maintain or reduce' target for levels of fuel poverty across the local authority area.

5.2.1 There are no specific Energy Efficiency Targets for the Isle of Mull other than those set out by the Scottish Government (Appendix B). The council would support improvements to as many homes as possible as long as there is interest.

5.3.2 Latest figures for Mull identify that of the 632 EPCs carried out; 81% are below band C; 49% are below band D; and 26% are below band E

5.3 How are these planned to be met?

5.3.1 Argyll and Bute Council's Energy Efficiency team have identified the areas that they can influence as the primary focuses for meeting energy efficiency and fuel poverty targets. The main area of influence for the council is energy efficiency improvements through grant funding initiatives.

5.3.2 Argyll and Bute Council will continue to offer advice and support for behavioural changes. However, the primary focus is fabric improvements.

5.4 Barriers

5.4.1 An initial barrier for the uptake of HEEPS:ABS has been past experience with poor quality work and service delivered through previous energy efficiency schemes. Further challenges faced have been households questioning the benefit or need of energy efficiency measures with a lack of awareness about the benefits of exploring different tariffs/energy providers - or the knowledge of how to -contributing to high fuel bills.

5.4.2 The island location has created multiple challenges for delivering energy efficiency improvements due to the condition of and current level of energy efficiency measures installed in housing stock, the logistics and the cost of delivery.

5.4.3 Tackling the fabric of homes has proven to be expensive with particular difficulty in treating the pre-1919 stock still common on the island. There are large numbers of housing without even basic measures e.g 22% lofts have 0-99mm Loft Insulation and 50% of walls are not insulated.

5.4.4 The regulations around which contractors are allowed to carry out HEEPS:ABS work has resulted in the council having to procure from the central belt due to no Argyll based firm having the relevant accreditation. This has created a challenge in having to schedule work for when the contractor can realistically travel to the island.

5.5 Draft Fuel Poverty Strategy

5.5.1 As the next Fuel Poverty Strategy is still being debated, the draft recommendations have not been included in the council's own policy. However, the council contributed both written and oral submissions of evidence to Scottish Government on the fuel poverty bill. The result of which has been a request from the Scottish Government to consult on an Islands Community Impact Assessment for the Strategy.

6. Development Trusts

6.1 Although there are a large number of community-based organisations on the island, the three Development Trusts - **Mull and Iona Community Trust, South West Mull and Iona Development and North West Mull Community Woodland Company** - are those with the most active interest in housing.

6.2 As development trusts, they may have different specific aims and objectives. However, their overarching aim is the same: the social and economic development of their community.

6.3 Membership is drawn from those that are ordinarily resident in their specific area. Engagement with membership and others in their community informs their development plan with all three being given a mandate to investigate the need for housing and deliver solutions.

6.4 All three trusts have an element of self-sustainability through income generating projects and they are also able to access a wide range of grant and loan funds. With regards to housing, the primary sources of funding are the Rural and Islands Housing Fund and the Scottish Land Fund.

6.5 The trusts are able to access further resources such as advice and support from Third Sector organisations such as: Highlands and Island Enterprise; Development Trust Association Scotland; Community Land Scotland; Rural Housing Scotland; and Community Housing Scotland.

6.6 MICT Housing Interest

6.6.1 MICT have worked in partnership with the Ulva School Community Association to deliver two units for affordable rent at Ulva Ferry in 2017. The purpose of the housing was to secure the long-term future of the local primary school. In order to do so, a bespoke allocations policy was created that would award points per child per year spent in the school.

6.6.2 MICT have ownership of a plot that was intended to be sold for self-build. The land was available for well below market value but there was little to no interest from island residents due to the infrastructure and build costs. As a result, MICT began work on developing the site along with a recently purchased parcel of land to deliver a second phase of housing at Ulva Ferry. This new phase will provide a further 4 units for affordable rent.

6.7 SWMID Housing Interest

6.7.1 SWMID were investigating the potential for delivering housing at Bendoran as part of a larger redevelopment project. Following further investigation, it was identified that the site was not particularly well suited for housing. As such, SWMID are now investigating the potential for delivering housing in the village of Bunessan.

6.8 NWMCWC Housing Interest

6.8.1 NWMCWC have been exploring the possibility of delivering housing at West Ardhu near the village of Dervaig. The proposal is a mixed tenure development with 3 units for affordable rent and 2 units for Low-Cost Home Ownership.

6.8.2 NWMCWC own the Island of Ulva and are also developing a renovation project for 6 houses on the island.

6.9 Barriers to Housing Development

6.9.1 *Cost:* The high cost of providing infrastructure has been highlighted as a barrier through previous investigations for the West Ardhu site whilst both phases of the Ulva Ferry project have encountered issues with the cost of infrastructure. The primary issues are the cost of installing access roads and an adequate water supply in remote areas. However, Phase 1 of Ulva Ferry faced extra infrastructure costs as a result of having to relocate an electricity pylon. The trust was unable to avoid this cost by siting the units differently due to planning restrictions dictating that the housing should be situated in such a way that they are screened from view by the adjacent primary school.

6.9.2 Due to the size of development community organisations are likely to explore, they are unable to achieve economies of scale and as a result of being island based, incur an 'island uplift' on supplies (material and labour) which results in a far higher cost of development than mainland projects.

6.9.3 *Demonstrating Need:* A major barrier to delivering a housing project for the community organisations has been demonstrating need. The three trusts strongly believe that there is a need for housing in their communities that is not highlighted by using waiting list data as an identifier. The challenge for all three has been quantifying anecdotal evidence of need.

6.9.4 *Capacity:* Many community organisations on the island have either limited staff resources or are inexperienced in investigating and/or delivering housing which can often lead to slow or delayed progress on projects.

6.9.5 *Funding:* The Rural and Islands Housing Fund currently runs until 2021 with all projects required to be completed by March of that year. The Scottish Government are currently consulting on "Housing Beyond 2021" and as yet, there is no information as to what housing funding thee will be.

6.9.6 *Island Uplift:* Consultation with TSL Contractors Ltd identified that housing developments on the Isle of Mull are, on average, 20-25% more expensive than comparative developments they deliver on the mainland. The primary reasons are the increased haulage cost and providing accommodation for workers. Sourcing accommodation for workers is a challenge that adds further demand on the island's provision.

6.10 Solutions

6.10.1 The Rural and Islands Housing Fund contains a feasibility element. This can provide funding to contract experienced organisations to: investigate need & demand; develop a robust financial model; conduct options appraisals for management models & allocations policies; and any other work involved in identifying the type, tenure, design and cost of delivering housing.

6.10.2 Whilst the Housing Fund feasibility can help address issues around demonstrating need and capacity to deliver a project, it does not directly address the challenge of the cost of delivering high quality housing in an island location. The main fund element does recognise the higher cost of delivering on an island and has therefore created higher benchmark figures for grant funding e.g. £84,000 funding per unit for affordable rent as opposed to £72,000 per unit for mainland areas. Argyll and Bute Council have also agreed that projects that receive Housing Fund grant funding can also apply to their Strategic Housing Fund for an extra £12,000 per unit.

6.10.3 A potential route to reducing the cost of delivering housing is to explore the use of off-site construction as opposed to traditional build methods. Off-site could greatly reduce build time and potential weather disruption which can result in lower development costs.

6.10.4 The additional cost of delivering developments on Mull could be reduced with the introduction of a commercial RET.

7. Business and Housing

7.1 In February and March 2019, island businesses were given the opportunity to respond to an online survey or take part in an interview to discuss their experiences with housing, whether they or their employees had encountered any challenges with securing accommodation, whether the current housing landscape had any impact on their business sustainability or growth and, if they had encountered issues, whether they had explored any potential solutions.

7.2 The survey deliberately avoided multiple choice answers and the discussions were led by the employers. This decision was made to reduce the possibility of Rural Housing Scotland influencing responses and therefore provide a more accurate record of Mull employers' experiences.

7.3 There were 20 employers providing information and comment. The size of employer ranged from businesses with one Part-Time member of staff to those employing 45 and covered South, Central and North Mull. In total, they employ 149 Full-Time staff and 71 Part-Time or Seasonal workers.

7.5 13 of the employers stated that either they had faced challenges housing their staff or knew of staff that had encountered issues. The most common issue is trying to find accommodation for seasonal workers due to competing with the holiday market. However, there are businesses looking to recruit permanent staff and struggling due to a lack of affordable housing.

7.6 There were 14 businesses that have recruited staff already resident on Mull. 9 of these also have staff that have moved to the island upon being offered employment.

7.7 A key finding when discussing the economic impact that housing has on business is that 7 have stated they have had experience of positions remaining unfilled due to a lack of accommodation with 13 stating the current housing landscape has had an impact on their business growth *and/or* sustainability *and/or* quality of service.

7.8 Potential Solutions

7.8.1 There have been a variety of potential solutions explored by island employers. The most common have been either renting or purchasing accommodation for staff. However, this is not seen as an ideal solution nor one that every business can adopt with multiple businesses stating there is a lack of availability and that it is not financially viable.

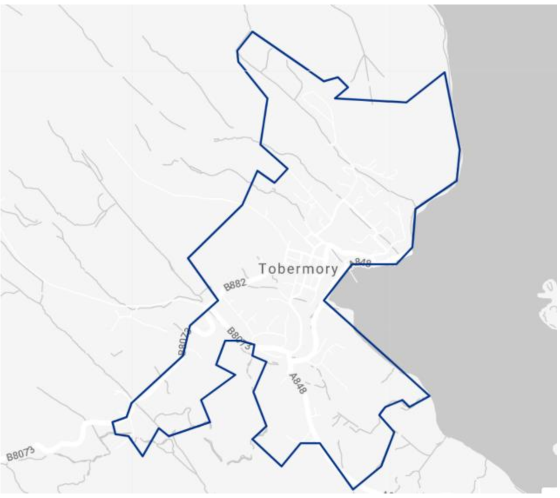
7.8.2 Other businesses have assisted staff to find their own accommodation but have stated that this is time consuming and that this does not solve the issue of a general lack of availability of accommodation especially in the summer season.

7.8.3 Some employers have explored either building pods or using caravans. This has had some success for housing seasonal staff but is unsuitable when attempting to employ individuals for senior positions or long-term.

7.8.4 There has been one island employer that has previously built housing for their staff. The Rural and Islands Housing Fund is a potential option for businesses to explore this option. There is currently one private land-owning business applying for feasibility funding to investigate the potential for delivering housing in the North of Mull.

7.8.5 The need for accommodation for seasonal workers is having the biggest impact on business growth and sustainability on the island and so there could potentially be merit in exploring the option of developing housing for multiple use; staff accommodation during the season and holiday let during the off-season to help recoup the initial capital investment.

7.9 Potential Land Availability: Data Zone S01000832[iii]



7.9.1 8 of the businesses engaged with were based in Tobermory employing 91 Full-Time Staff and 34 Part-Time or seasonal staff in total.

7.9.2 All 8 businesses reported having difficulty finding accommodation for their staff with 3 stating a lack of accommodation has resulted in being unable to fill positions.

7.9.3 The solutions explored have been purchasing or renting a property for staff accommodation, but this is seen as an expensive solution particularly for businesses that are seasonal.

7.9.4 Planning for the implementation of LDP2, there are 3 existing LDP sites with a Green rating and 1 with an Amber rating.

7.9.5 Of these 3 existing LDP sites, 2 are Housing Allocations and 1 is a Mixed-Use Allocation for housing, business and Industry.

Table 5: LDP Sites in S01000832

Allocation	Units	Affordability	Area
H-AL 4014	140	25%	6.23ha
H-AL 6/1	30	25%	1.69ha
PDA 6/52	Mixed Density	50%	3.48ha
MU-AL 6/1	N/A	N/A	0.51ha

7.9.6 There is 1 proposed site as a result of the LDP2 Call for Sites with an Amber rating. However, this site would likely rely on H-AL 4014 to be developed first. See Appendix D.

7.10 Potential Land Availability: Data Zone S01000830[iv]

7.10.1 3 of the businesses engaged with were based in Data Zone S01000830 employing 25 Full-Time Staff and 4 Part-Time or seasonal staff in total.

7.10.2 All 3 businesses reported having difficulty finding accommodation for their staff with 2 stating a lack of accommodation has resulted in being unable to fill positions. One of these described the lack of housing as “significantly” affecting their business with 6 positions remaining unfilled.

7.10.3 Similar to the businesses in Tobermory, the solutions explored have been purchasing or renting a property for staff accommodation but again this is seen as an expensive solution by both the largest employer (20 Full-Time staff) and the smallest (3 Part-Time/Seasonal staff).

7.10.4 Planning for the implementation of LDP2, there are 3 existing LDP sites with a Green rating and 1 with an Amber rating.

7.10.5 Of these 3 existing LDP sites, 2 are Housing Allocations and 1 is a Mixed-Use Allocation for housing, business and Industry.

Table 6: LDP Sites in S01000830

Allocation	Units	Affordability	Area
PDA 6/18	N/A	N/A	7.21ha
H-AL 6/4	15	25%	0.72ha
PDA 6/49	Mixed Density	50%	4.47

7.10.6 There is 1 proposed site as a result of the LDP2 Call for Sites with an Amber rating. See Appendix D.

7.11 Potential Land Availability: Data Zone S01000820[v]

7.11.1 There was only one business from Data Zone S01000820 responding to the survey of employers. However, it is a large employer with 20 Full-Time and 25 Part-Time/Seasonal staff.

7.11.2 There are particular issues in recruiting for supervisory and managerial roles with 4 senior vacancies remaining unfilled due to a lack of local accommodation.

7.11.3 The purchase and rental of properties has been explored but it was explained that housing at affordable values cannot be found and rental properties are “few and far between and are snapped up in days”.

7.11.4 Planning for the implementation of LDP2, there are 3 existing LDP sites with a Green rating and 1 with an Amber rating.

7.11.5 Of these 3 existing LDP sites, 2 are Housing Allocations and 1 is a Mixed-Use Allocation for housing, business and Industry.

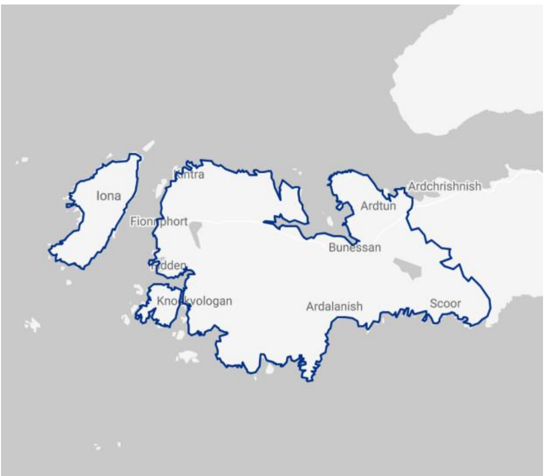
Table 7: LDP Sites in S01000820

Allocation	Units	Affordability	Area
H-AL 4003	30	25%	0.89ha
H-AL 6/5	25	25%	1.18ha
H-AL 4001	15	25%	1.49ha
PDA 6/41	Mixed Density	25%	2.38ha
PDA 6/42	Medium Density	25%	1.22ha

7.11.6 There are 3 sites proposed as a result of the LDP2 Call for Sites with an Amber rating. 2 sites are proposed for residential use although one of these is a request to retain H-AL 4001 at Pennyghael in LDP2.

7.11.7 The remaining site is Tiroran Community Forest with a proposed use as a Community woodland incorporating a mixture of uses. One of these uses is residential; specifically, woodland crofts.

7.12 Potential Land Availability: Data Zone S01000809[vi]



7.12.1 8 of the businesses engaged with were based in Data Zone S01000809 employing 13 Full-Time Staff and 16 Part-Time or seasonal staff in total.

7.12.2 5 of these businesses reported having difficulty finding accommodation for their staff with 1 stating a lack of accommodation has resulted in being unable to fill positions.

7.12.3 A number of businesses explained that the lack of affordable housing in the area made it difficult to find staff but also meant less customers in the winter months. They argued that more full-time residents would increase the pool of potential employees but also create year-round custom allowing the business to grow and offer longer or more employment.

7.12.4 Planning for the implementation of LDP2, there are 2 existing LDP sites with an Amber rating.

Table 8: LDP Sites in S01000809

Allocation	Units	Affordability	Area
PDA 6/39	Mixed Density	25%	1.29ha
H-AL 4004	18	25%	2.57ha

7.12.5 There are no sites proposed as a result of the LDP2 Call for Sites.

8. Schools and Housing

8.1 Four of the island schools providing information about their experience of housing and whether the island's housing landscape has had, is having or might have an impact.

8.2 All four schools that responded stated they have at least one member of staff that has moved to the island after being offered employment. Three stated that their staff have struggled to find accommodation. The lack of housing has resulted in some positions remaining unfilled. The remaining school was able to offer accommodation through an agreement with the council to rent a house previously let to Caledonian MacBrayne.

8.3 All four schools noted that a lack of affordable housing for young families has had a negative impact on their school roll with one primary stating that 'Numbers will hold steady until 2021 but will fall greatly after that'.

9. Infrastructure

9.1 SSE

9.1.1 SSE do not currently have any specific concerns about developments on Mull. They do recognise that developments on the island are more expensive than mainland comparisons with the costs for developments further from the North East (Tobermory) being even higher. Works conducted in areas of higher population/density benefit from having easier access to services and resources already in place.

9.1.2 SSE recommend early engagement when planning for new developments especially in regard to any significant planned changes.

9.1.3 All new developments, regardless of size, are assessed on a 'case by case' basis using a Network Impact Assessment. There are three different options:

- Budget – basic information providing onsite costs only. Formal costs could vary significantly once further paid study work is conducted. The Budget assessment incurs no fee.
- Feasibility Study - gives costs to reflect any reinforcement, works required and any other information required about the network. This is recommended when the customer is looking at connections and to determine the best option for load and cost. The fee ranges from free up to £6500 depending on requirements.
- Formal Offer – Once project requirements are known and will not change, a formal offer is needed. This will include all study work and costing as required. If the total load required is below 250KVA this will be free, if it is above 250KVA there is a charge of £1,342 or £2,072 depending on the load and the voltage of works.

9.2 Scottish Water

9.2.1 In terms of Waste Water Treatment, the main settlement works of Tobermory/Craignure have capacity at the works. However, any planning proposals albeit included within the current or emerging LDP would benefit from a more in depth look at the treatment plant in terms of capability going forward and if anything needed to be done. Capacity at treatment plants can change due to connections, process changes, capital maintenance and regulatory changes so it is always prudent to check on an on-going basis.

9.2.2 Other Waste Water Treatment Works on Mull are smaller Septic Tanks that are currently meeting Scottish Water's SEPA discharge consents but any proposals being considered would benefit from having a Pre-Development Enquiry (PDE) form submitted to Scottish Water's Development Operations. The PDE does not cost anything but provides a more robust opinion on any development once further information such as expected flows/demands are gathered. In addition, submitting a PDE means the prospect of any development is logged for information on the Scottish Water system.

9.2.3 Tobermory was subject to an investment project and a parallel plant was completed next to the existing works and that is producing water, ensuring security and availability of supply going forward.

9.2.4 There is an additional project which will see water mained-out from Tobermory to Craignure and that main has been completed. However, there is some additional works to be completed at Craignure before that project is 'live' resulting in a slight delay of a few months.

10. Development Models

10.1 AHSP:

10.1.1 The majority of Affordable Housing supply will continue to be developed through the AHSP and delivered by the two HOME Argyll RSLs on Mull.

10.2 Community Led:

10.2.1 Community Led Housing Development is a valuable model for assisting local authorities in delivering additional affordable housing in harder to reach, more remote areas where there is local pressure for development but little officially recognised need. Through utilising funding separate to that made available through the AHSP, community led housing offers *additional* affordable housing supply instead of *alternative.* Housing delivered by communities can be for affordable rent or low-cost home ownership.

10.2.2 Community Led Development refers to any projects that have in some way been developed by or with representatives of a particular community. As such, Community Led Housing does not require the community to become developers and take ownership of the completed units e.g. the Iona Housing Partnership secured land on the island with West Highland Housing Association then delivering 5 new units for affordable rent on the site.

10.2.3 “Representatives” of a community are those with a direct connection to the relevant community. These can be – but not limited to - individuals, businesses, charities and/or Third Sector organisations.

10.2.4 “Communities” are most commonly defined by geographical area but can also be a community of individuals sharing a particular interest.

10.2.5 Generally, Community Led Housing is a response from a community to a particular need such as Ulva Community School Association at Ulva Ferry on the Isle of Mull looking to address the falling school roll.

10.3 Community Led Development Using the Rural and Islands Housing Fund:

10.3.1 There are a number of conditions related to grant assistance through the Rural and Islands Housing Fund including the perpetuity of affordability. This would ensure that housing delivered remains genuinely affordable for island residents and will not enter into the second/holiday home market.

10.3.2 The Rural and Islands Housing Fund application process requires that before funding is awarded, any potential housing project must have a long-term robust financial plan, a fair allocations policy, long-term management plan and have sensible costs. Without meeting these criteria, a housing development will not be supported by the Scottish Government.

10.3.3 For this reason, and to help address any issues of capacity or skill shortage, Community Led projects often procure experienced professionals to manage and deliver their project (including the early feasibility work).

10.3.4 The first step for Community Led Housing is to perform a localised and targeted Housing Needs Survey to identify whether there are households in need of alternative housing and why. This high-level, short-term survey can also involve some local housing market analysis, investigation of demographic changes and consultation of the local authority’s Local Housing Strategy, HNDA and SHIP.

10.3.5 Should the housing survey identify that there could be a need for delivering alternative housing, the community can then look to conduct a feasibility study to investigate the size of development and tenure needed, how this could be delivered and how to manage units for rent or dispose of units for sale.

10.3.6 At this stage, the community do not need to have ownership of a site but must have identified a potential site.

10.3.7 Finally, if the feasibility study identifies that a housing development is viable. An application can be made for grant funding assistance to deliver the project. The main source of funding being the Rural and Islands Housing Fund.

10.3.8 The remainder of the required funding is generally secured through the use of loan funding.

10.4 Private Businesses:

10.4.1 Private Businesses can potentially access the Rural and Islands Housing Fund to deliver housing and follow the same process as community led housing.

10.4.2 Businesses can also explore working in partnership with each other, a developer or an RSL to share the cost of development.

10.5 Self Build:

10.5.1 Traditionally on the islands, young people would secure a plot and build their own home making good use of 'in kind' labour. However, the value of land and the difficulty in accessing self-build mortgages has made this a far less viable method.

10.5.2 The Self-Build Loan Fund is a bridging loan available to those that have been unable to access finance to build their own home. However, it does require that the applicant already owns a plot and has secured planning and thus does not tackle the largest barrier; the prohibitive cost of land on the island.

10.5.3 There have been some attempts at providing fully serviced plots. TSL Contractors and Argyll Estates have both explored this option but found there was little to no interest as the cost of providing these plots resulted in the sale price being too high for island residents.

10.6 Croft Housing:

10.6.1 A croft is a relatively small agricultural land holding which is normally held in tenancy and which may or may not have buildings or a house associated with it.

10.6.2 The average croft is around 5ha, but they can range from 0.5ha to 50ha.

10.6.3 Crofts are regulated by the Crofting Commission and there are legislative duties which crofter must comply with including living on or within 32km of the croft[vii].

10.6.4 Croft Houses still require planning consent regardless of whether they are situated on or adjacent to the croft.

10.6.5 If a proposed house is to be situated on the croft, that parcel of land needs to be decrofted by application to the Crofting Commission.

10.6.6 Crofters can apply for financial assistance through the Croft House Grant Scheme[viii].

10.6.7 The scheme is open to crofting tenants, occupier of a croft (acquired from landlords within the last 7 years), cottars, Kyles crofters and funding may be used for new build, major repairs, internal repairs or rebuilding work.

10.6.8 In order to be eligible for grant funding, a crofter must be inadequately housed due to: the present accommodation not providing sufficient accommodation for the crofter and their immediate family; present accommodation not meeting an adequate standard, as judged by an inspector; currently living with parents, is 21 years or older and can show they have worked the croft for at least two years.

10.6.9 Alternatively, they must be in need of a house on the croft because: the type of agricultural activities requires their constant presence on the croft; the needs of an existing nonagricultural business requires the crofter to live on the croft; or the crofter currently lives in rented accommodation (including council housing)

10.6.10 As the Isle of Mull is a high Geographical Priority Area, the level of grant assistance potentially accessible for new build is £38,000. For rebuilding and improvement, the level of grant funding is 40% of costs up to a maximum of £38,000.

10.7 Woodland Crofts

10.7.1 Woodland Crofts follow the same regulations as traditional crofts which means they are also able to access the Croft House Grant Scheme. However, woodland crofts also involve an element of woodland management.

10.7.2 The exact nature and extent of management is not prescribed and will depend largely on the individual management plan for the whole woodland the crofts are a part of.

10.7.2 Establishing Woodland Crofts can be an option for community landowners to explore in order to enable the creation of new households without needing to develop housing themselves.

10.7.3 North West Mull Community Woodland Company created Woodland Crofts on forest land they own and South West Mull and Iona Development are currently developing a Woodland Croft project.

Appendix A – Consultees

Scottish Water
Scottish and Southern Electricity Networks (SSEN)
Argyll and Bute Council Housing Services
Argyll and Bute Council Empty Homes Officer
Argyll and Bute Council Planning, Housing and Regulatory Services
Head of Economic Development and Strategic Transport, Argyll and Bute Council
West Highland Housing Association
Argyll Community Housing Association
West Property

TSL Contractors Ltd
Norman MacDonald Ltd

Hebridean Whale and Dolphin Trust
Café Fish
Macgochan's
Park Lodge Hotel
Mull Aquarium
Mull Slaughterhouse
Treshnish and Haunn Cottages
Tobermory Harbour
Scottish Salmon Company
Suidhe Farm Cottages
Island Bakery
Isle of Mull Hotel and Spa
Ross of Mull and Iona Community Transport
Achaban House
Ninth Wave Restaurant
J & C Reade and Sons
The Ferry Shop
The Keel Row

South West Mull and Iona Development
Mull and Iona Community Trust
North West Mull Community Woodland Company
Mull and Iona Ranger Service

Appendix B - Scottish Government Energy Efficiency Targets[ix]

Social Housing targets are set as part of the Energy Efficiency Standards for Social Housing (EESSH) which sets a minimum energy efficiency rating of SAP 2009 60-69 (EPC rating of C or D) by 2020 depending on fuel and dwelling type.

The Scottish Government are proposing a new target maximising the number of social housing homes meeting EPC B by 2032.

Private Rental Sector targets are set by the Energy Efficiency Scotland programme through a phased approach. From April 1st 2020, any *new* tenancy will require the property to have an EPC of at least band E with *all* properties requiring to be at least EPC band E by March 31st 2022. From April 1st 2022, any *new* tenancy will require the property to have an EPC of at least band D with *all* properties requiring to be at least EPC band D by March 31st 2025.

The proposed new target is for all privately rented homes to be EPC band C by 2030 where technically feasible and cost effective to do so.

Owner Occupancy targets are also set as part of the Energy Efficient Scotland programme. The proposed target is that Owner Occupied homes have an EPC of at least band C by 2040 where technically feasible and cost effective to do so.

Appendix C – Settlements

1. **Aros Bridge**– Village / Minor Settlement
2. **Aros Mains**– Village / Minor Settlement
3. **Bunessan** – Key Rural Settlement
4. **Calgary** – Village / Minor Settlement
5. **Craignure** – Key Rural Settlement
6. **Croggan** – Village / Minor Settlement
7. **Eorabus** – Village / Minor Settlement
8. **Erraid** – Village / Minor Settlement. Area of Panoramic Quality. Countryside Zone. Local Nature Conservation Site
9. **Fionnphort** – Village / Minor Settlement
10. **Kintra** – Village / Minor Settlement. Local Nature Conservation Site
11. **Lochdon** – Village / Minor Settlement
12. **Pennyghael** – Village / Minor Settlement
13. **Salen** – Key Rural Settlement
14. **Tobermory** – Key Settlement
15. **Uisken** – Village / Minor Settlement

Appendix D - LDP Allocations[x] and Call for Sites[xi]

Red – Site not preferred for inclusion in LDP2

- Site has significant issue(s) that means it is unsuitable for development e.g environmental or policy; and/or
- There is sufficient supply of land for this use during the LDP2 plan period and therefore this site is not required; and/or
- Site has significant issue(s) relating to its development e.g. roads access, water supply; and/or
- Site is of insufficient scale to be considered as an allocation

Amber – Site needs to be considered further

- Site may have potential for inclusion in LDP2 but further assessment is required
- Site has an identified issue(s) that need to be fully investigated

Green – Site preferred for inclusion in LDP2

- The site would support the delivery of the proposed spatial strategy for LDP2

Current LDP Allocations
Pages 26 to 40

Housing Allocation 6/5 Page 35
Location: Lochdon – North of Rock Cottage Use: Housing (25 units 25% affordability minimum) Area: 1.18ha
PDA 6/18 Page 37
Location: Salen Bay Use: Recreation/Mixed Uses Area: 7.21ha
Housing Allocation 4003 Page 37
Location: Salen Use: Housing (30 units, 25% affordability minimum) Area: 0.89ha 54
Housing Allocation 4014 Pages 38 / 39
Location: Tobermory Use: Housing (140 units 25% affordability) Area: 6.23ha
Housing Allocation 6/1 Pages 38 / 39
Location: Tobermory – Baliscate Use: Housing (30 units, 25% affordability minimum) Area: 1.69ha
Countryside Zone PDA 6/52 Page 39
Location: Tobermory – Dervaig Road 2 Use: Mixed Housing, Business and Industry (Mixed Density 50% affordability minimum) Area: 3.48ha

Housing Allocation 4004 Page 27
Location: Bunessan Use: Housing (18 units, 25% affordability minimum) Area: 2.57ha
Housing Allocation 6/4 Page 31
Dervaig – Church Field Use: Housing (15 units 25% affordability minimum) Area: 0.72ha
PDA 6/49 Page 31
Location: West Ardhu Use: Housing (Mixed Density 50% affordability minimum) Area: 4.47ha
PDA 6/39 Page 33
Location: Fionnphort Use: Housing (Mixed density 25% affordability minimum) Area: 1.29ha
PDA 6/41 Page 35
Location: Lochdon – Lochdon North Use: Housing (Mixed Density 25% affordability minimum) Area: 2.38ha

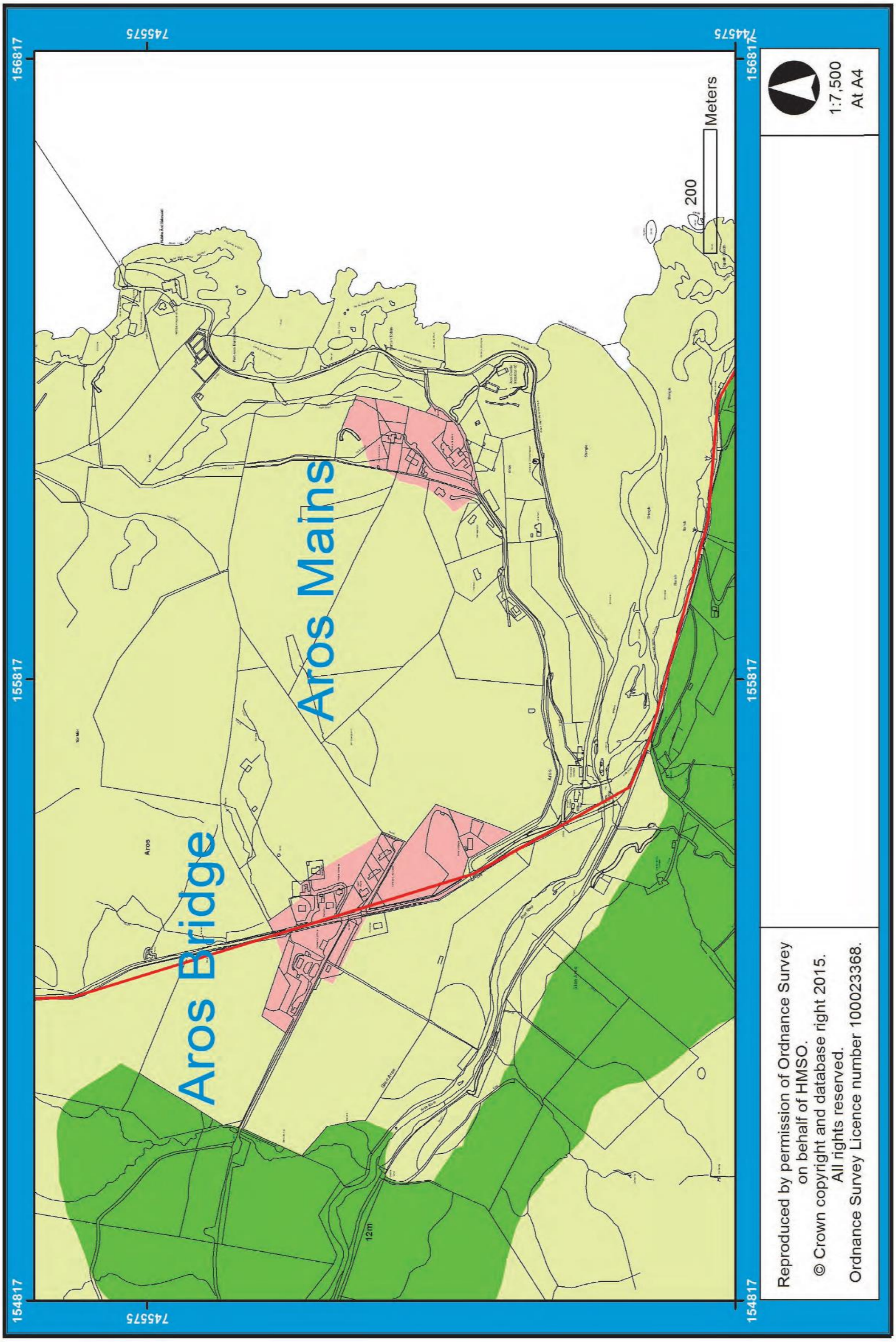
PDA 6/42 Page 35
Location: Lochdon – Lochdon South Use: Housing (Medium Density 25% affordability minimum) Area: 1.22ha
Housing Allocation 4001 Page 36
Location: Pennyghael Use: Housing (15 units 25% affordability minimum) Area: 1.49
Mixed Use Allocation 6/1 Pages 38 / 39
Location: Tobermory Use: Tourist Accommodation/Housing Area: 0.51ha

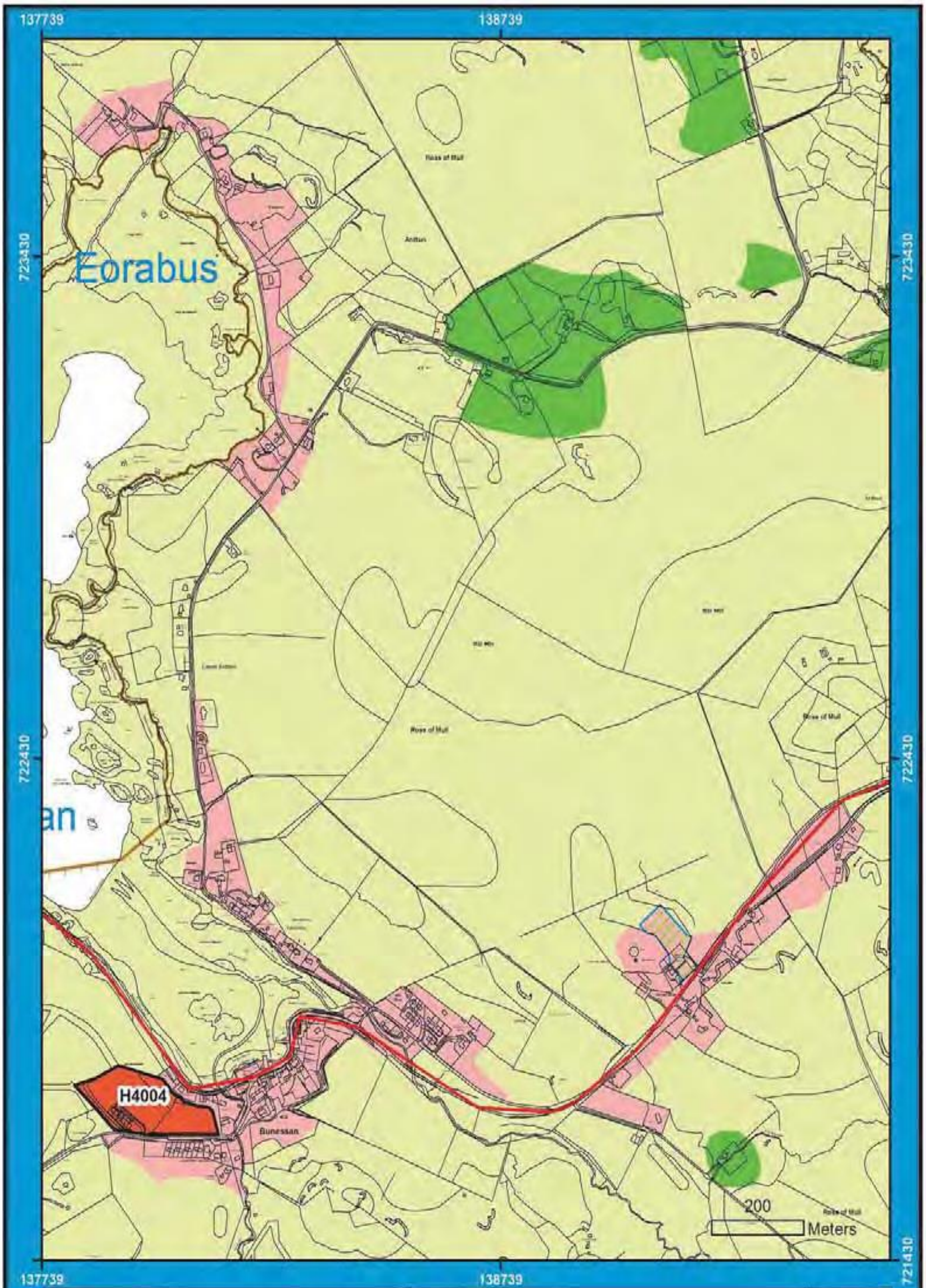
PDA 6/13 Page 29
Location: Craignure – East Use: Housing (Med Density, 25% Affordable) Area: 0.41ha
PDA 6/19 Page 37
Location: Salen – Glenmore Use: Housing (Low Density 25% affordability minimum) Area: 1.88ha
PDA 6/20 Page 37
Location: Salen – Central Use: Housing (Medium Density 25% affordability minimum) Area: 2.52ha
Housing Allocation 4002 Pages 38 / 39
Location: Tobermory – Dervaig Road 1 Use: Housing (21 units 25% affordability minimum) Area: 1.70ha
PDA 6/4 Page 38
Location: Tobermory – St Marys Use: Housing (Low Density 25% affordability minimum) Area: 1.19ha
PDA 6/5 Pages 38 / 39
Location: Tobermory – South Riverside Use: Housing (Low Density 25% affordability minimum) Area: 1.82ha
PDA 6/6 Pages 38 / 39
Location: Tobermory – Baliscate North Use: Housing (Mixed Density 25% affordability minimum) Area: 1.30ha

LDP2 Call for Sites
Pages 41 to 51

2. Land South of Pennyghael Hotel, Pennyghael Page 41
Proposed Use: Residential
3. Land south of Pennyghael Hotel, Pennyghael Page 42
Proposed Use: Tourism - Campsite
4. Tobermory South Page 43
Proposed Use: Residential
5. Tobermory South Page 44
Proposed Use: Tourism – Campsite or Hotel
19. Land situated to the west of the B8035 (south of Glen Maree), Aros, Salen Page 46
Proposed Use: Residential
21. Tiroran Community Forest, Tiroran Page 47
Proposed Use: Community woodland – mixed uses incl. tourism facilities/accommodation, leisure, business/industry units, residential, burial site
46. Field next to Progressive Care Centre, Craignure Page 48
Proposed Use: Residential
85. Ardura Forest Page 51
Proposed Use: Community Woodland – mixed uses incl. leisure, education, camping

Appendix E – LDP Settlement Maps

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722430
721430
Eorabus
an
H4004
Bunessan
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Meters
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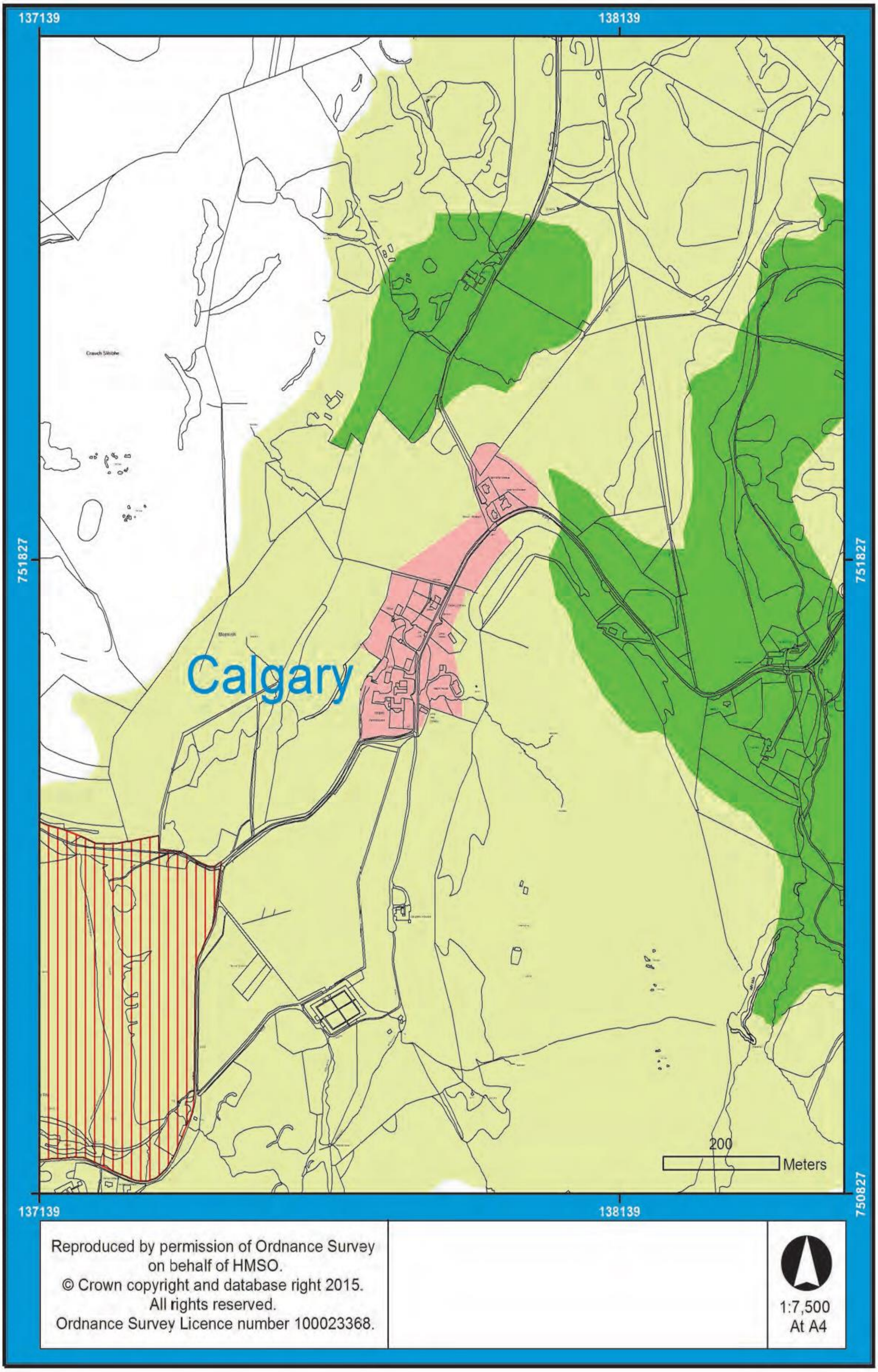
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138139
751827
751827
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137139
138139
Calgary
200
Meters
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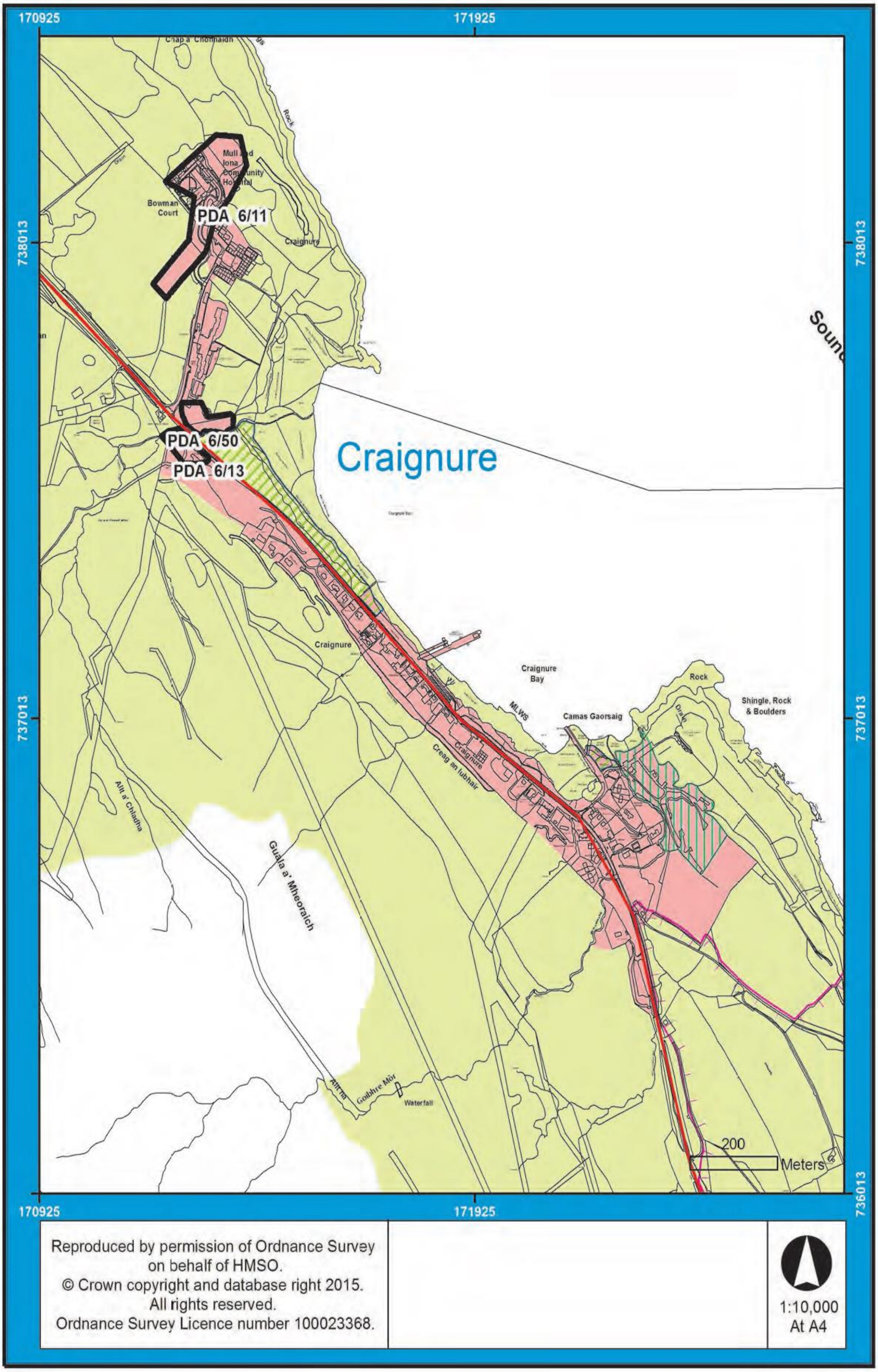
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171925
738013
737013
736013
Craignure
PDA 6/11
PDA 6/50
PDA 6/13
Bowman Court
Craignure Bay
Camas Gaorsaig
Shingle, Rock & Boulders
Rock
MLWS
Creag an Iubhair
Gualla a' Mheoraich
Allt a' Chladha
Waterfall
Sound
200
Meters
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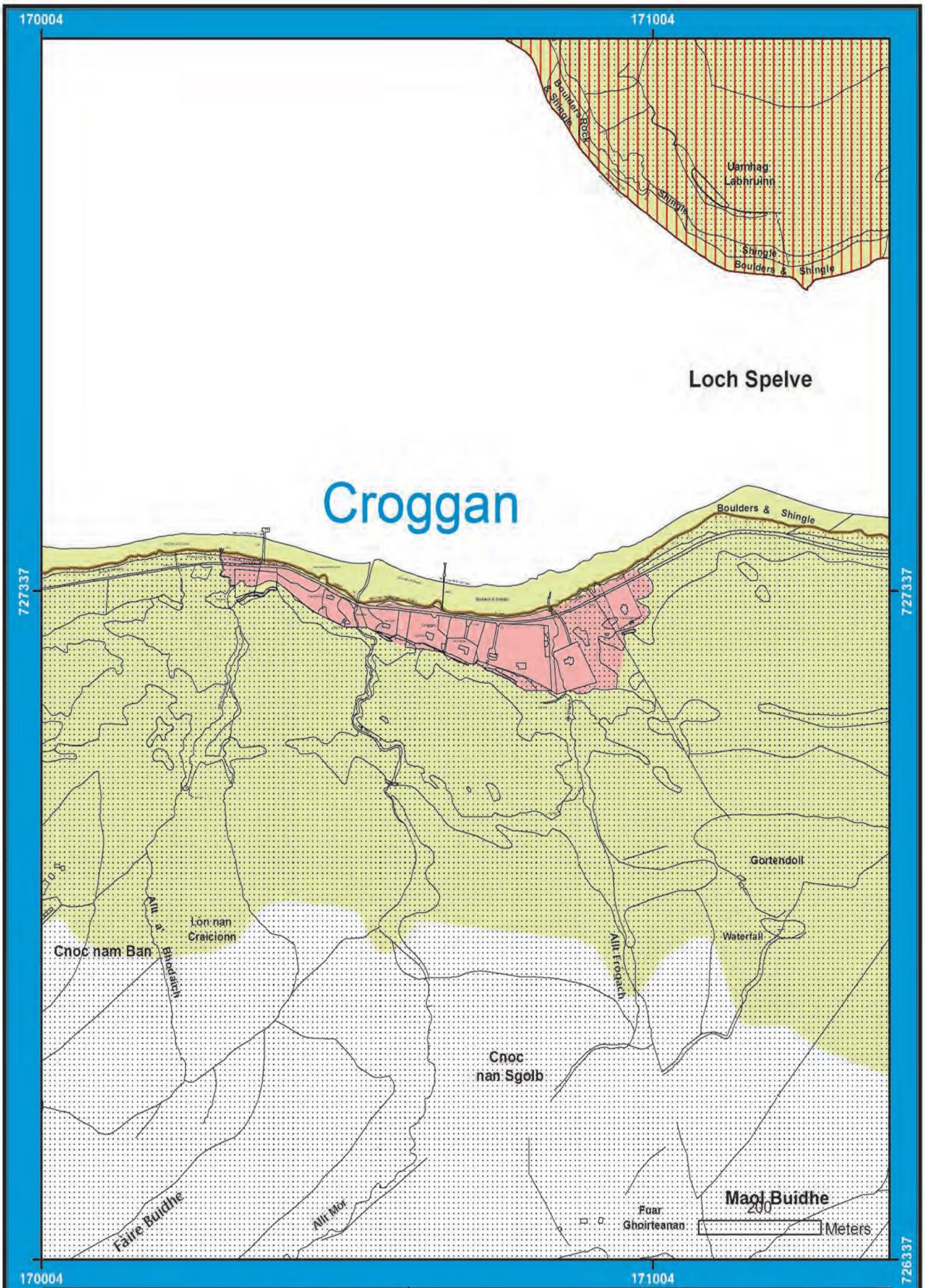
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171004
Boulders Rock
& Shingle
Uamhag Labhruinn
Shingle
Shingle
Boulders & Shingle
Loch Spelve
Croggan
Boulders & Shingle
727337
727337
Gortendoil
Waterfall
Allt a' Bhodaich
Lon nan Craicionn
Cnoc nam Ban
Allt Frodach
Cnoc nan Sgolb
Maol Buidhe
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Meters
Fuar Ghoirteanan
Faire Buidhe
Allt Mor
726337
170004
171004

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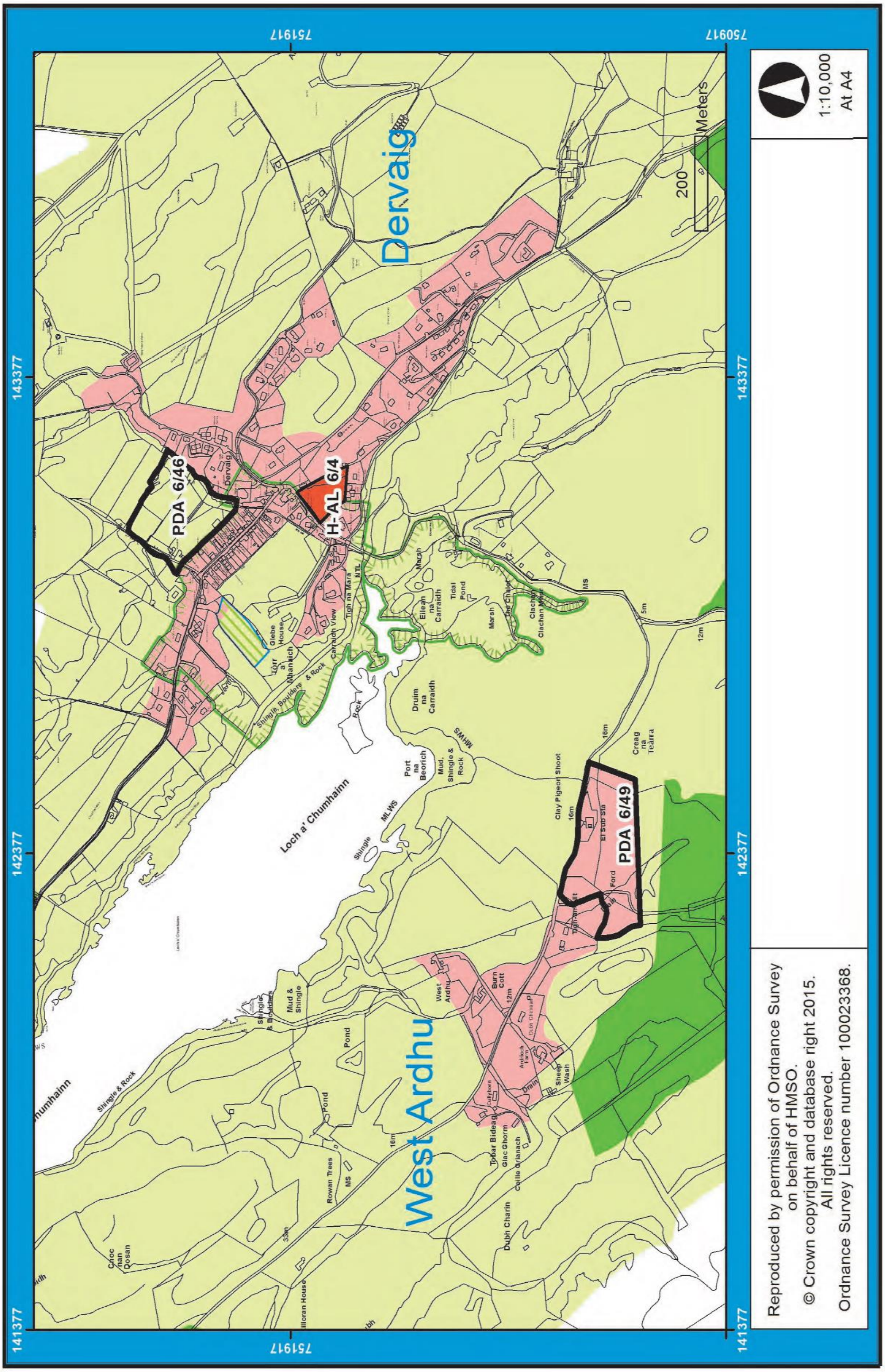
Dervaig
West Ardhu
PDA 6/46
H-AL 6/4
PDA 6/49
Loch a' Chumhainn
143377
142377
141377
751917
750917
200 Meters
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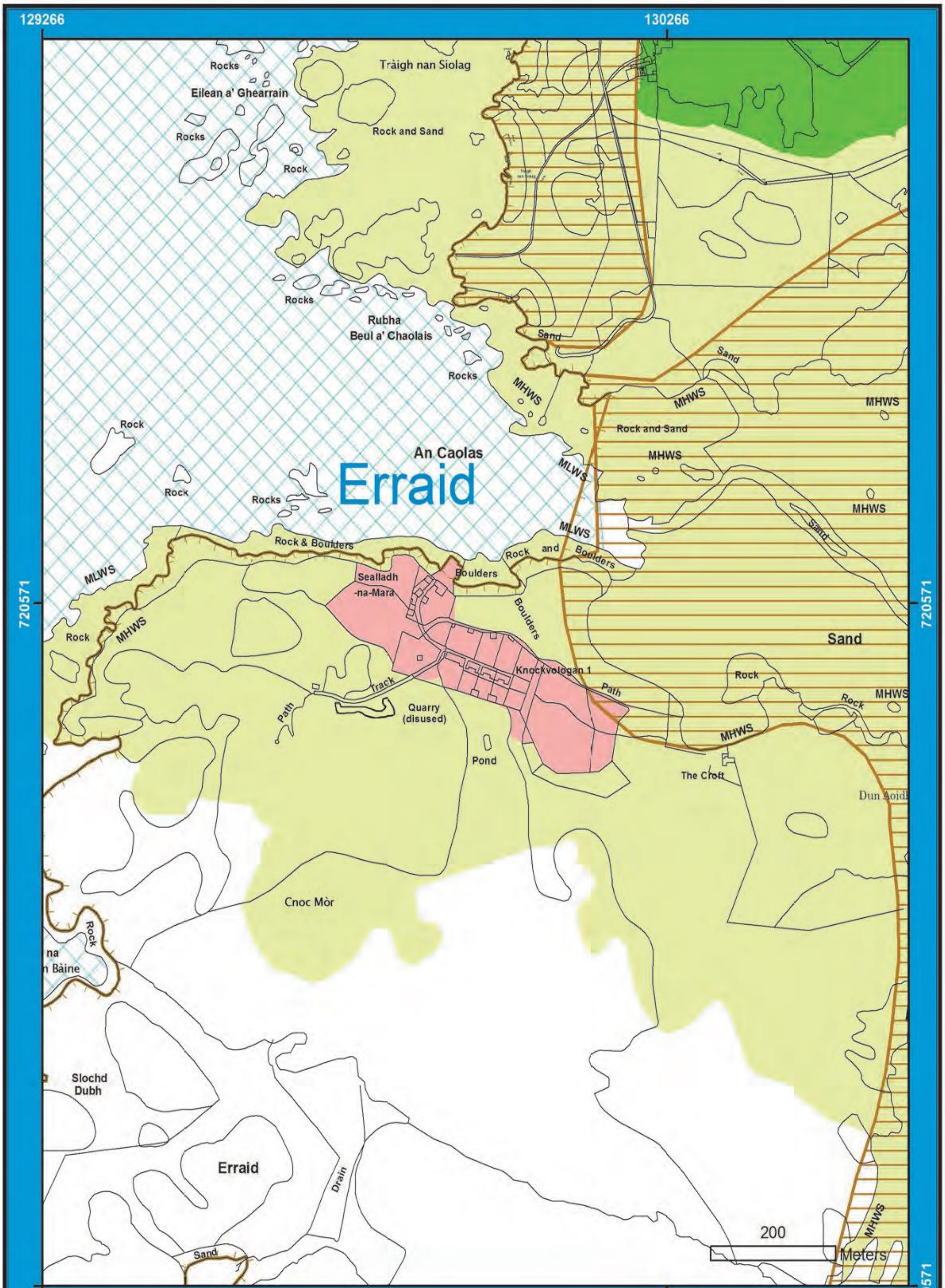

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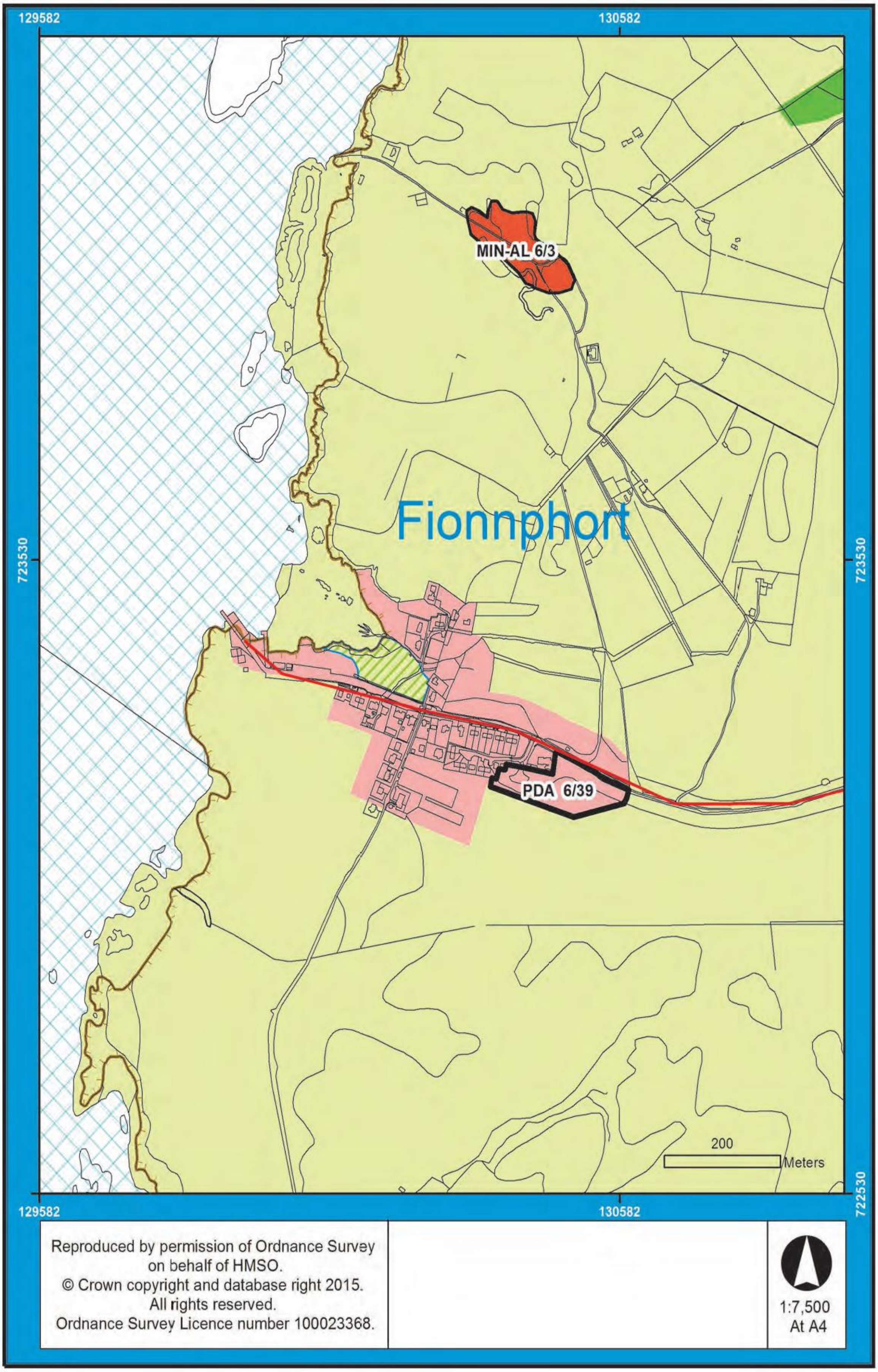

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130582
Fionnphort
MIN-AL 6/3
PDA 6/39
723530
722530
200
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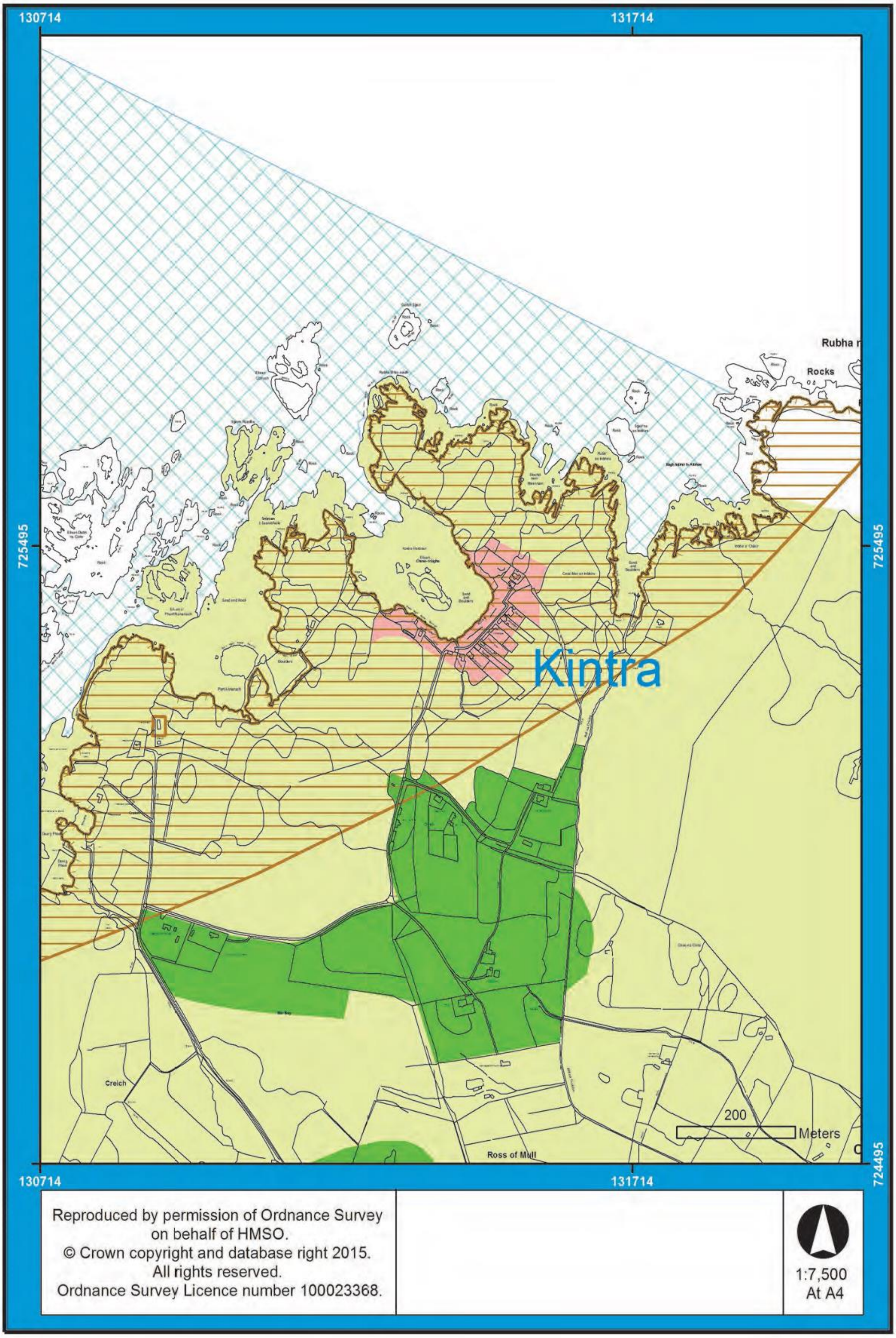
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131714
725495
724495
Rubha
Rocks
Kintra
Creich
Ross of Mull
200
Meters
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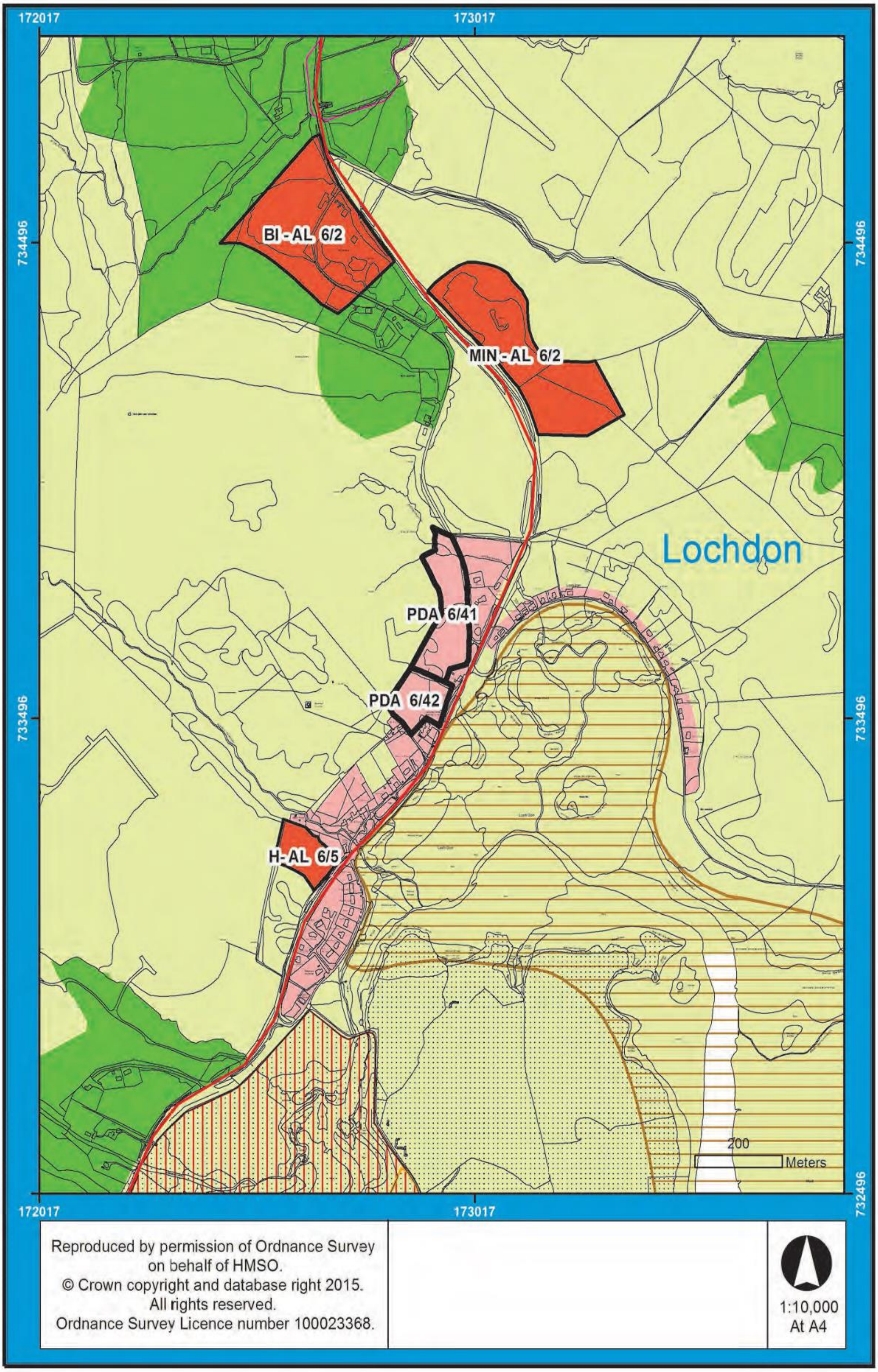
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732496
BI - AL 6/2
MIN - AL 6/2
Lochdon
PDA 6/41
PDA 6/42
H- AL 6/5
200
Meters
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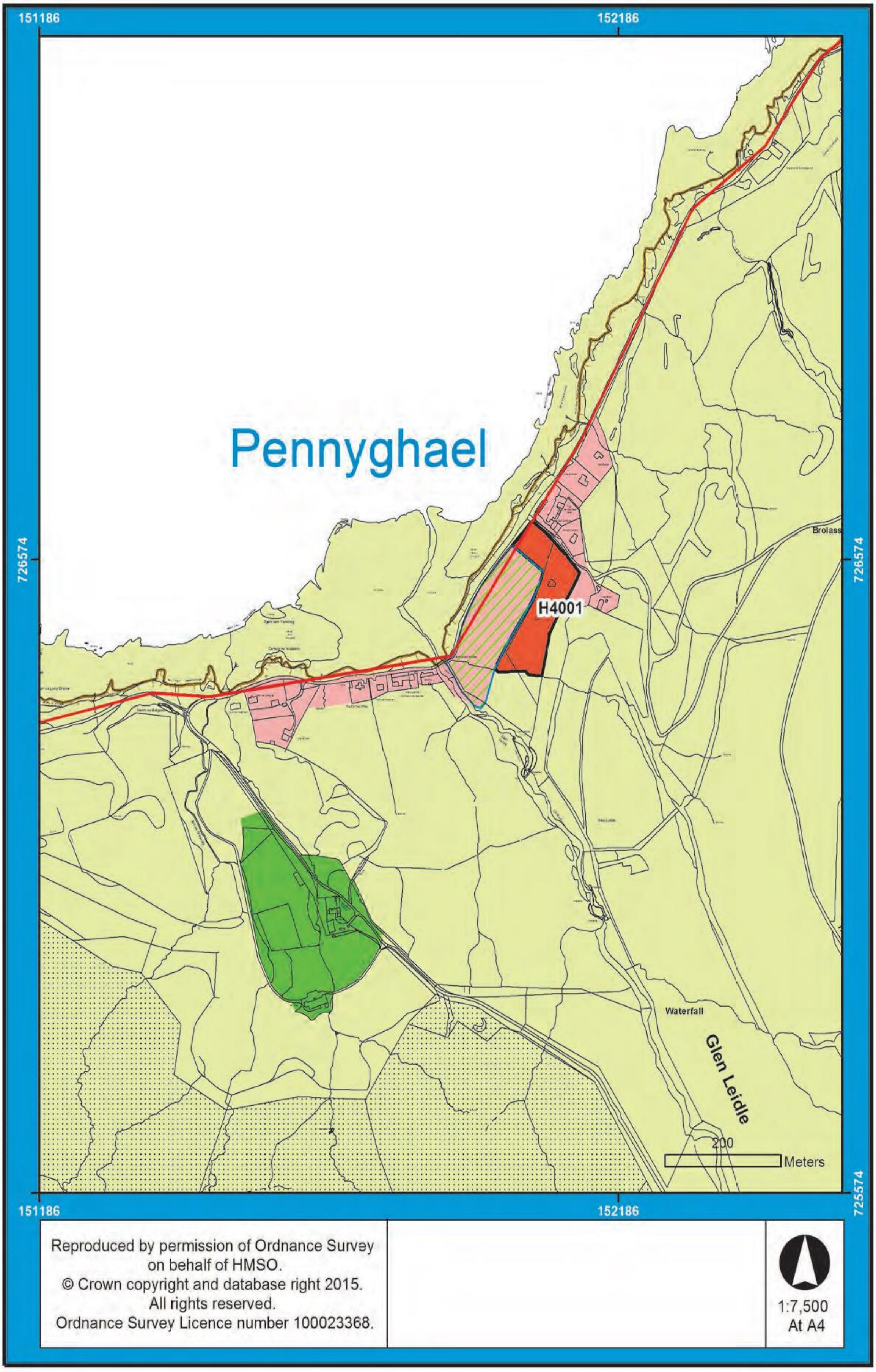
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152186
Pennyghael
Brolass
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Waterfall
Glen Leidle
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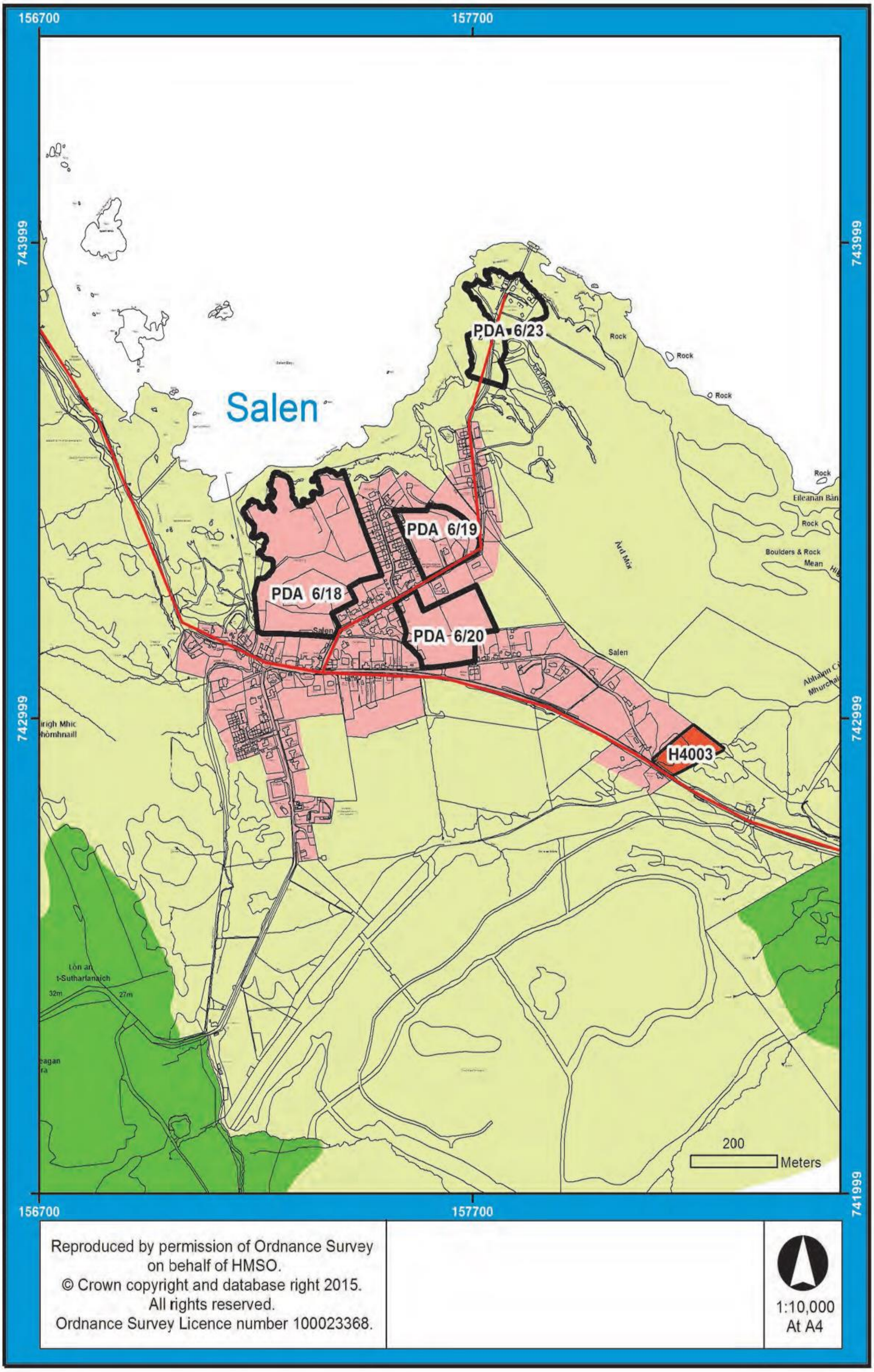
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157700
743999
742999
741999
Salen
PDA 6/23
PDA 6/19
PDA 6/18
PDA 6/20
H4003
Rock
Eileanan Bàn
Boulders & Rock
Ard Mór
Lòn an t-Sutharlanaich
32m
27m
200
Meters
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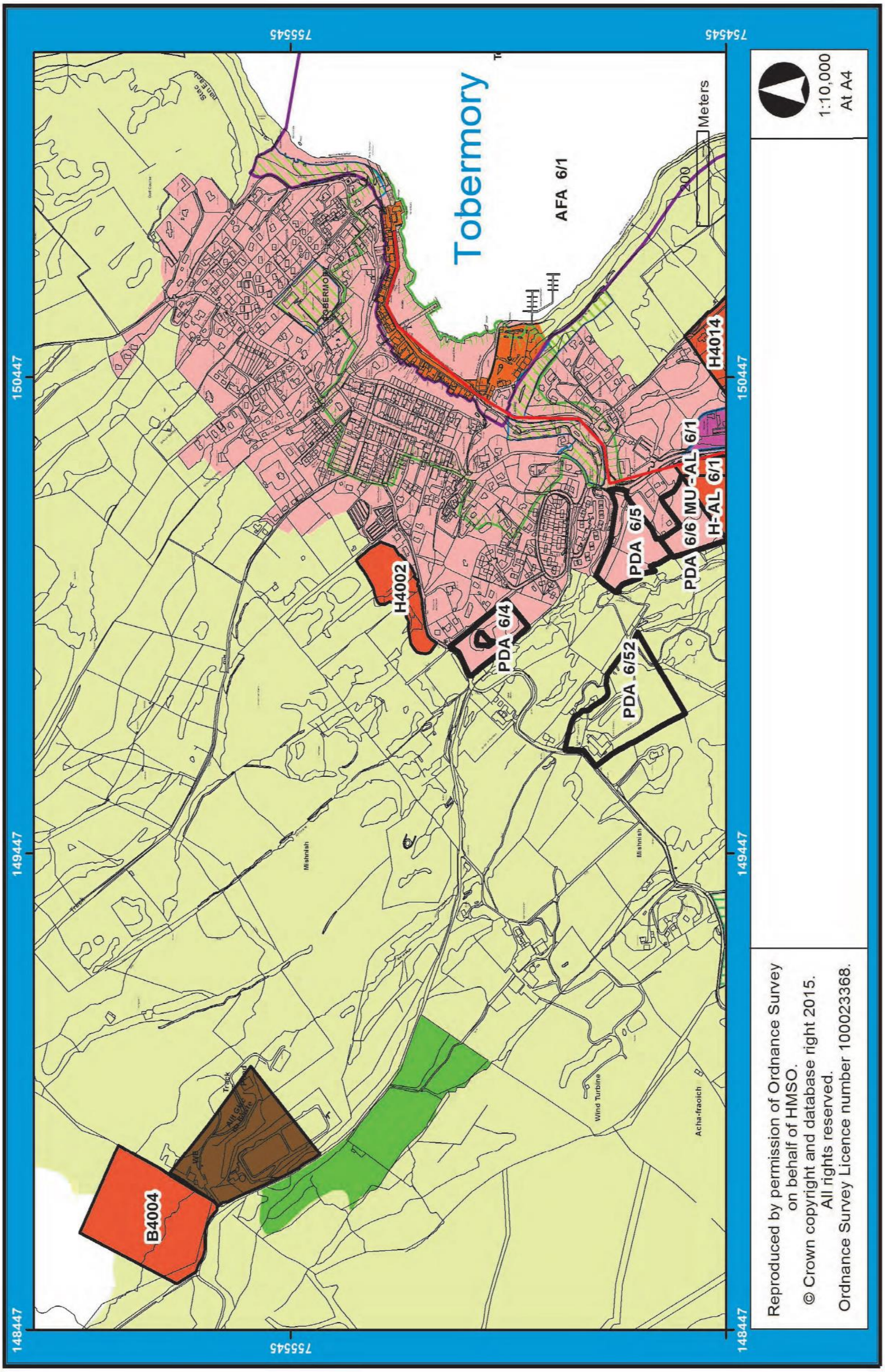

Tobermory
AFA 6/1
H4014
PDA 6/5
PDA 6/6
MU - AL 6/1
H- AL 6/1
H4002
PDA 6/4
PDA 6/52
B4004
Mishnish
Wind Turbine
Acha-fraoich
Track
150447
149447
148447
755545
754545
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Meters
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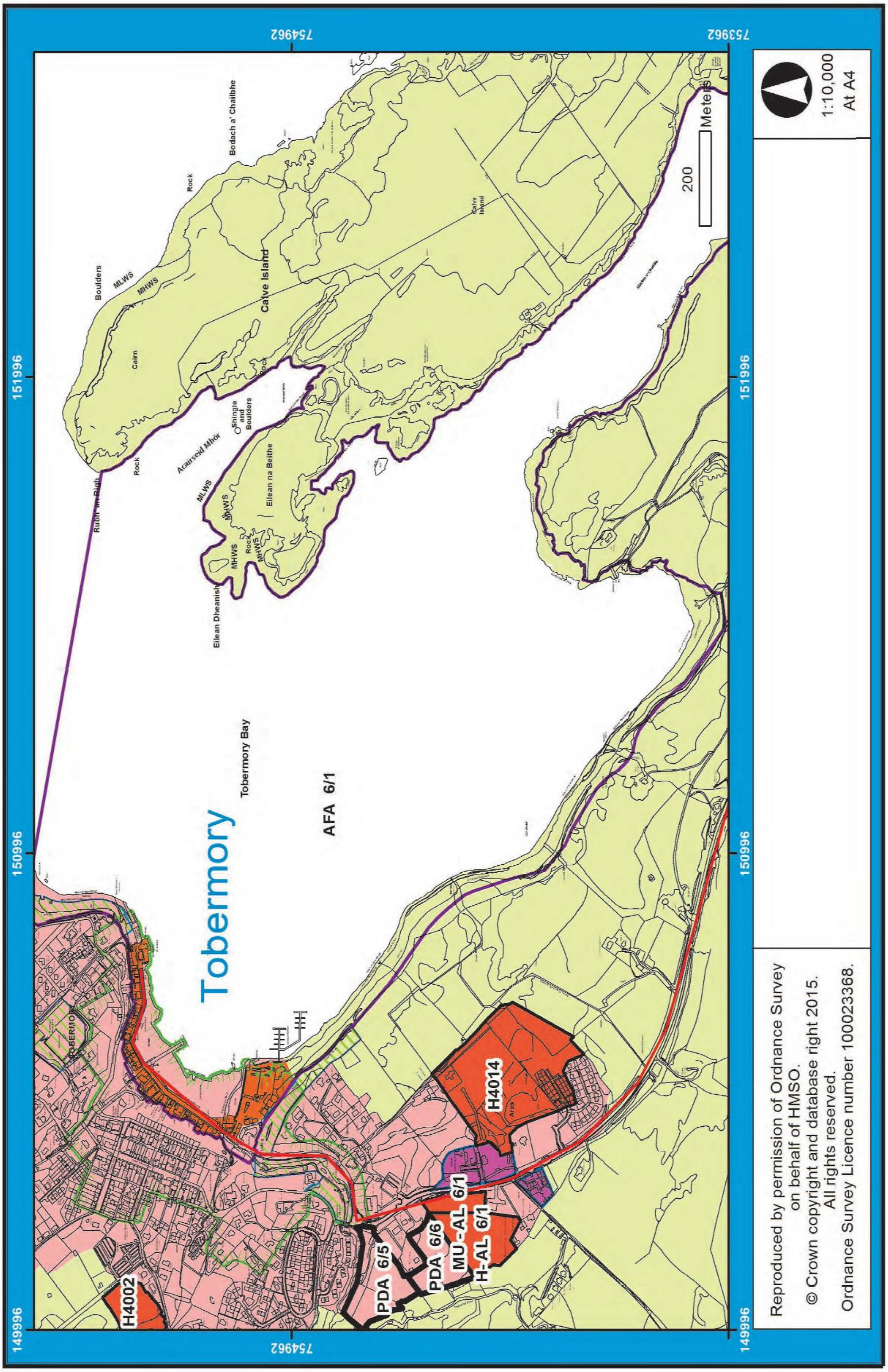
Tobermory
Tobermory Bay
AFA 6/1
Calve Island
Eilean na Beithe
Eilean Dheanish
Acairsed Mhòr
Bodach a' Chailbhe
Shingle and Boulders
Boulders
Cairn
Rock
MLWS
MHWS
TOBERMORY
H4014
H4002
PDA 6/5
PDA 6/6
MU -AL 6/1
H-AL 6/1
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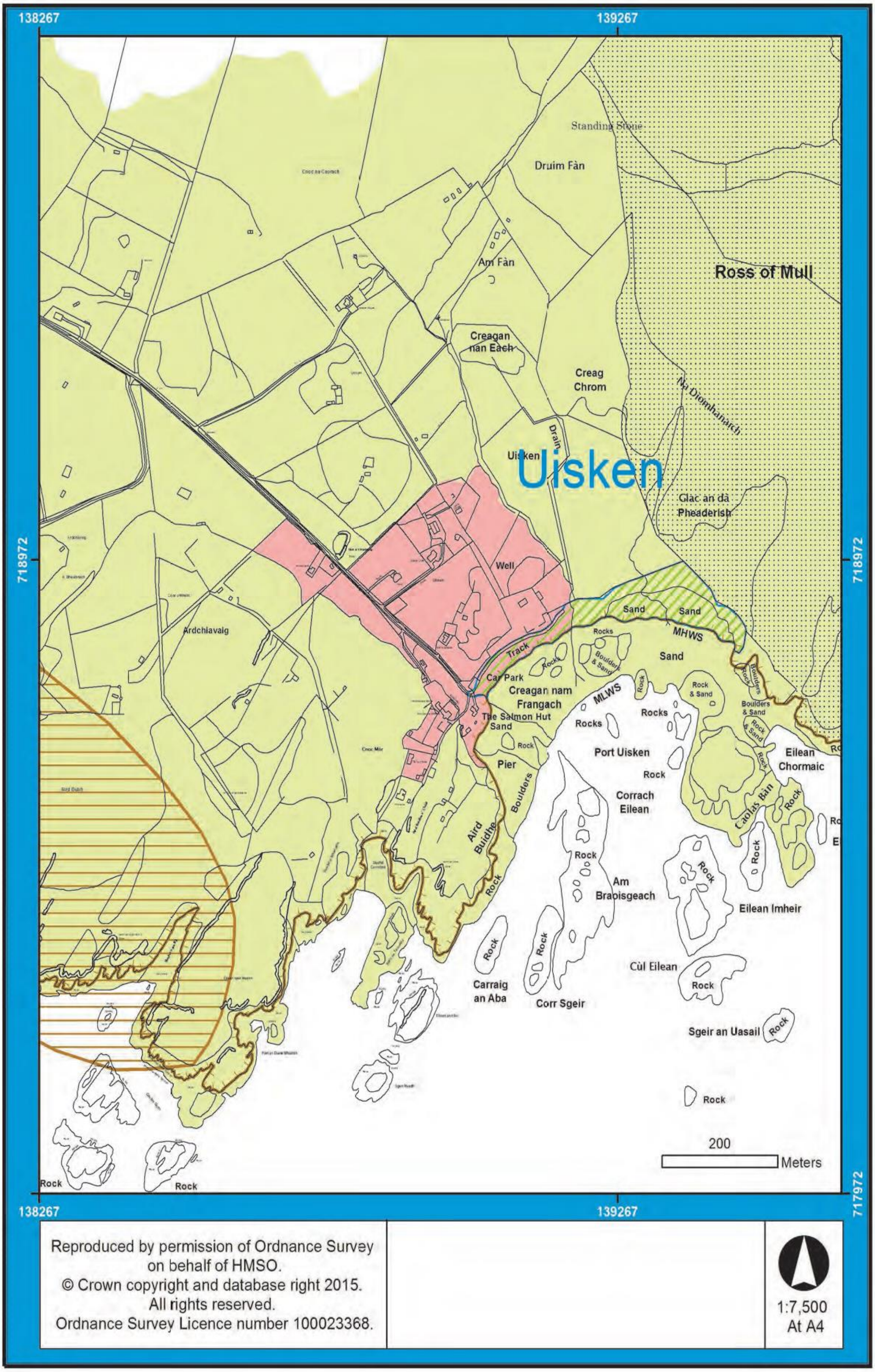
138267
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718972
717972
Standing Stone
Druim Fàn
Am Fàn
Ross of Mull
Creagan nan Each
Creag Chrom
Na Dìomhanaich
Drain
Uisken
Uisken
Glac an dà Pheaderish
Well
Sand
Sand
MHWS
Rocks
Track
Sand
Car Park
Creagan nam Frangach
MLWS
The Salmon Hut
Sand
Rocks
Rocks
Ardchiavaig
Pier
Port Uisken
Eilean Chormaic
Rock
Corrach Eilean
Caolas Bàn
Aird Buidhe
Boulders
Am Braoisgeach
Eilean Imheir
Cùl Eilean
Carraig an Aba
Corr Sgeir
Sgeir an Uasail
Rock
200
Meters
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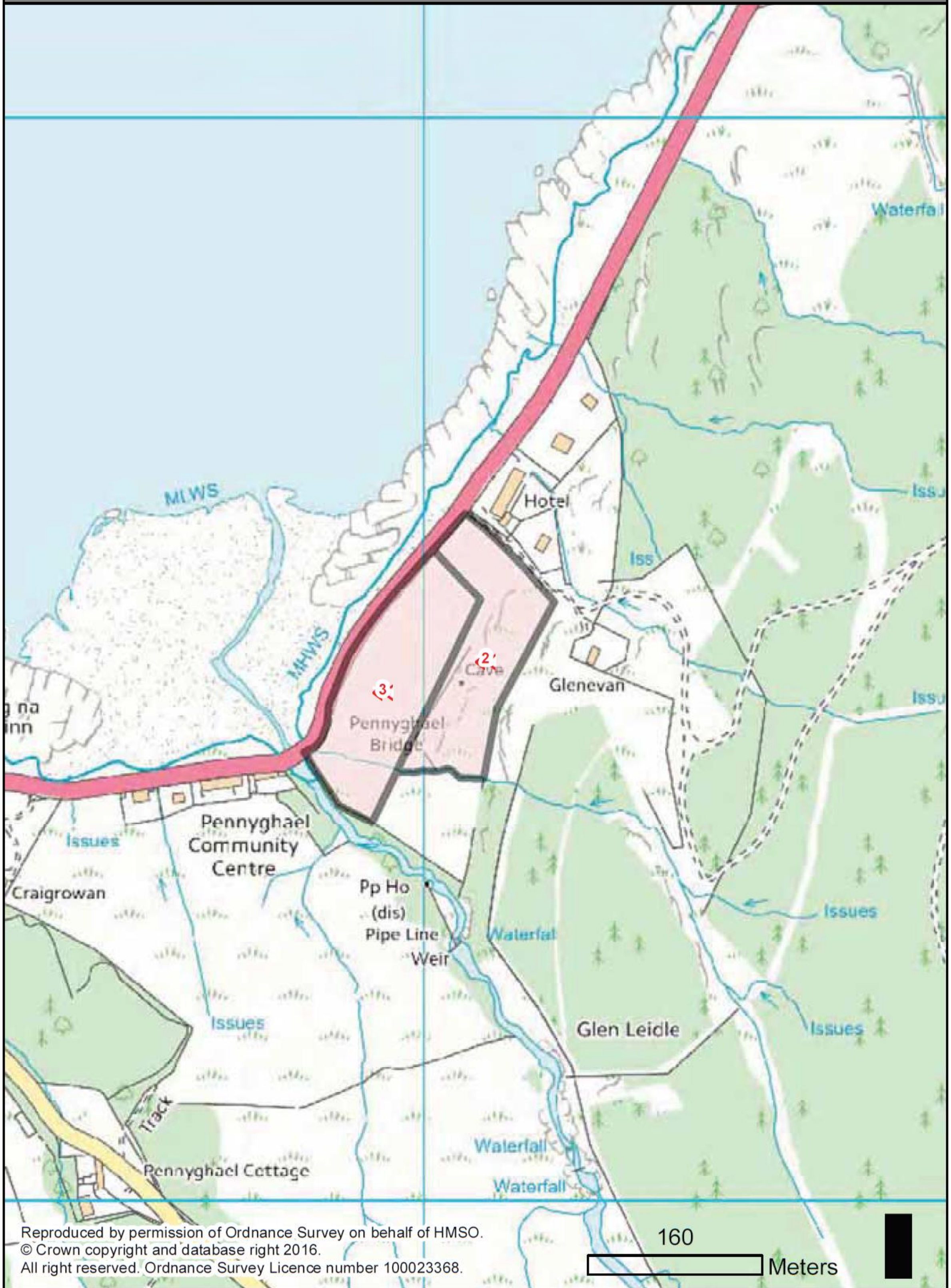
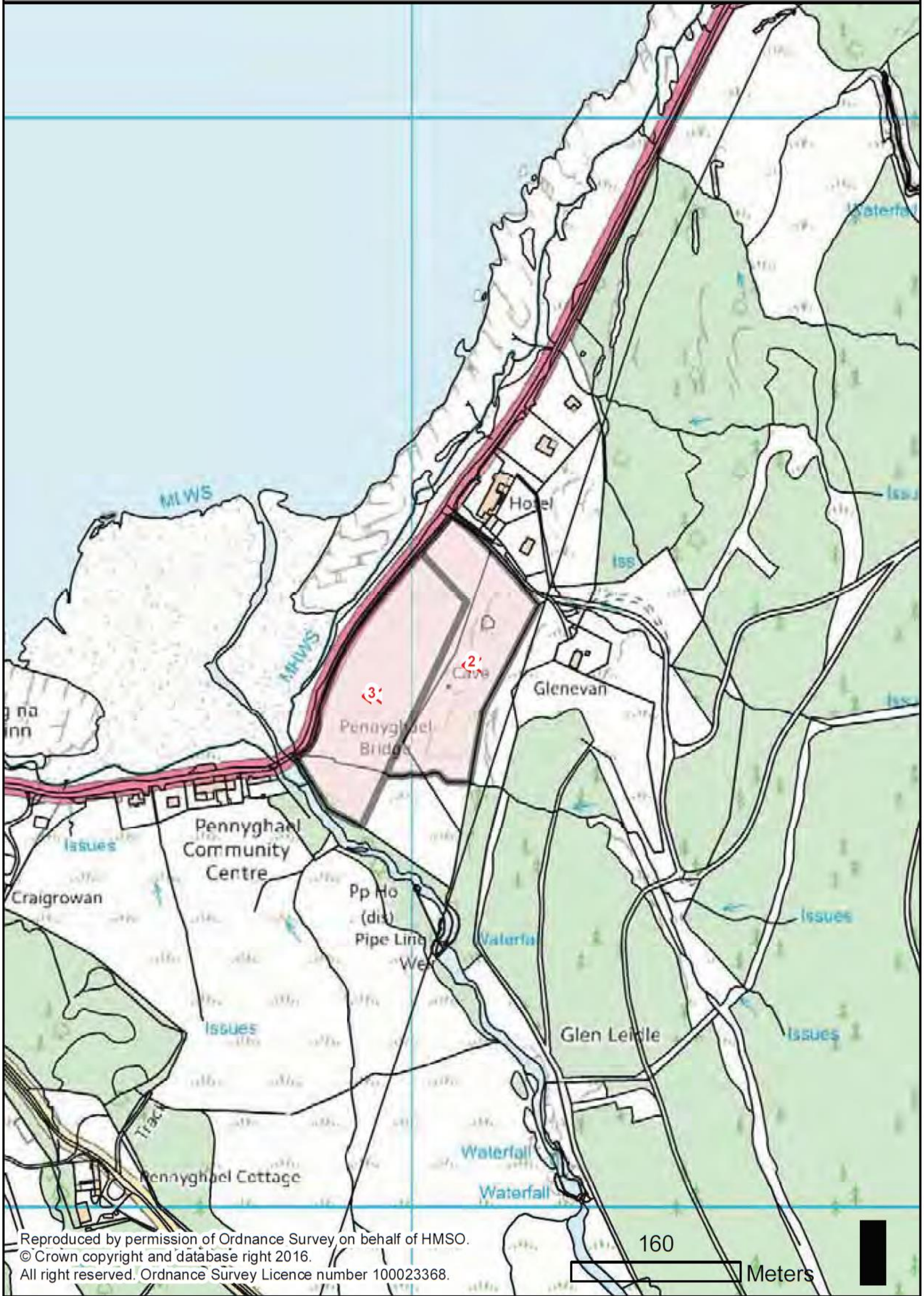
Appendix F – LDP2 Call for Sites Maps

Land south of Pennyghael Hotel, Pennyghael, Isle of Mull



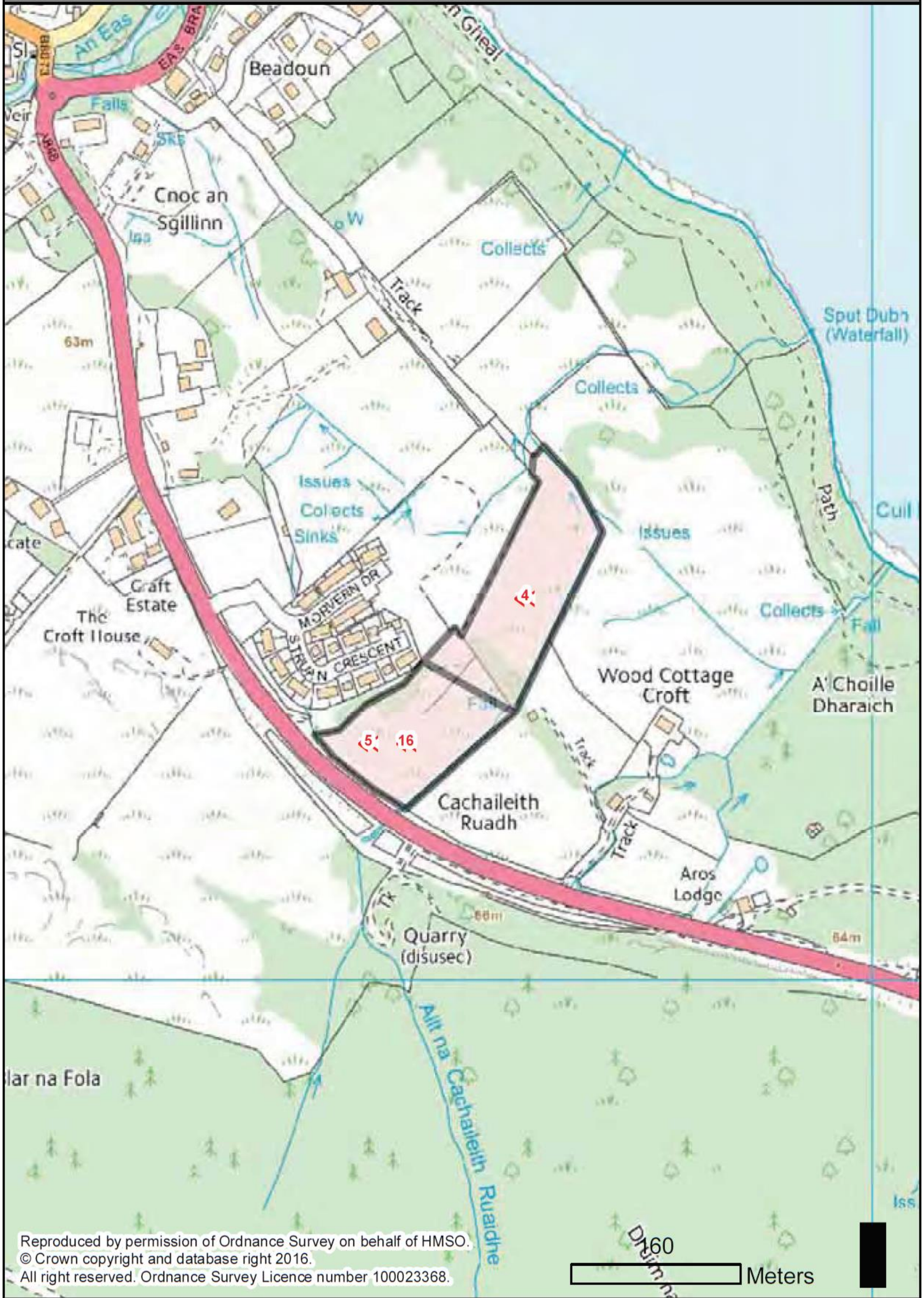
Site ref no: 2 | Proposed use: Residential | Initial rating: Amber

Land south of Pennyghael Hotel, Pennyghael, Isle of Mull



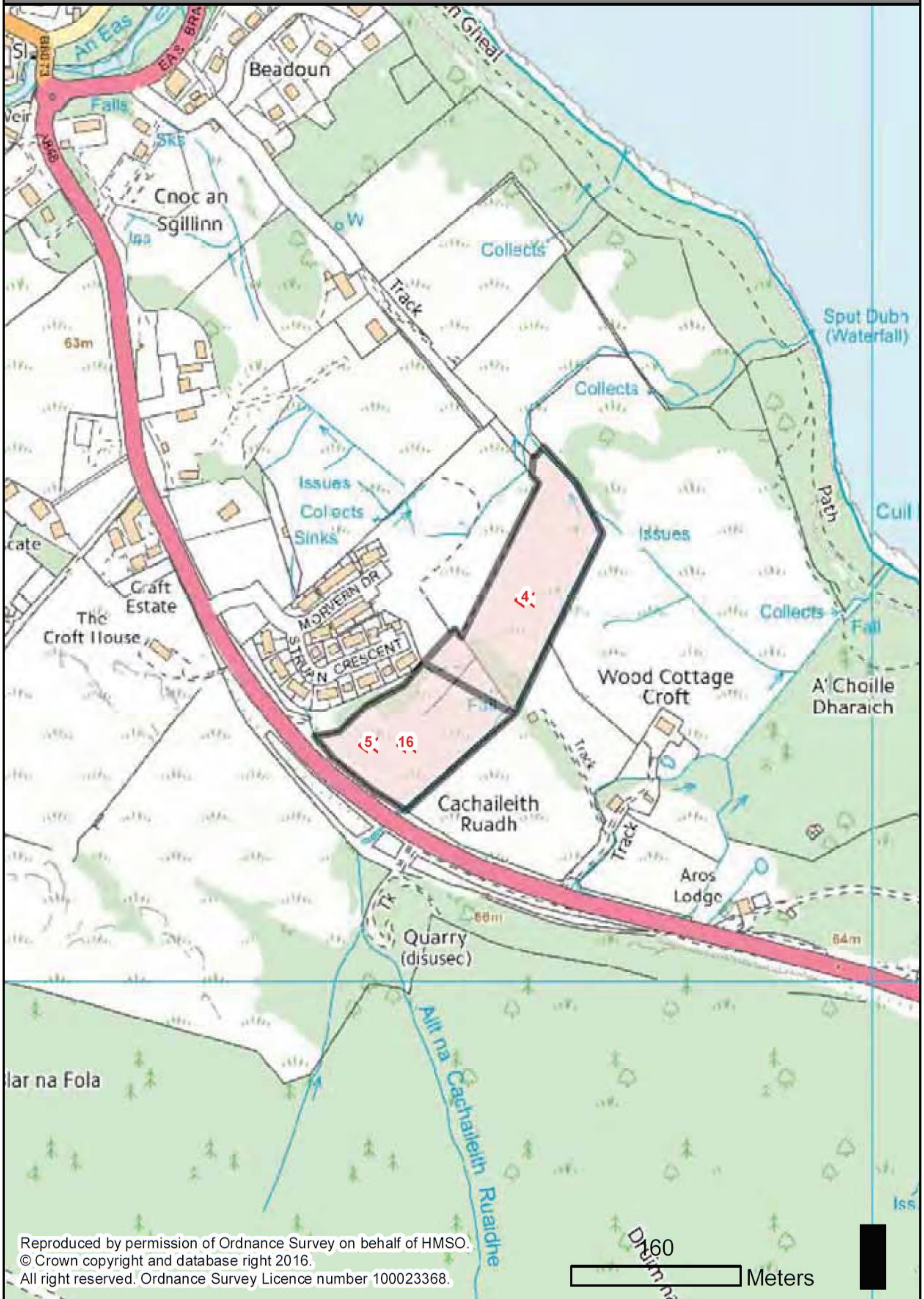
Site ref no: 3 | Proposed use: Tourism - campsite | Initial rating: Amber

Tobermory South



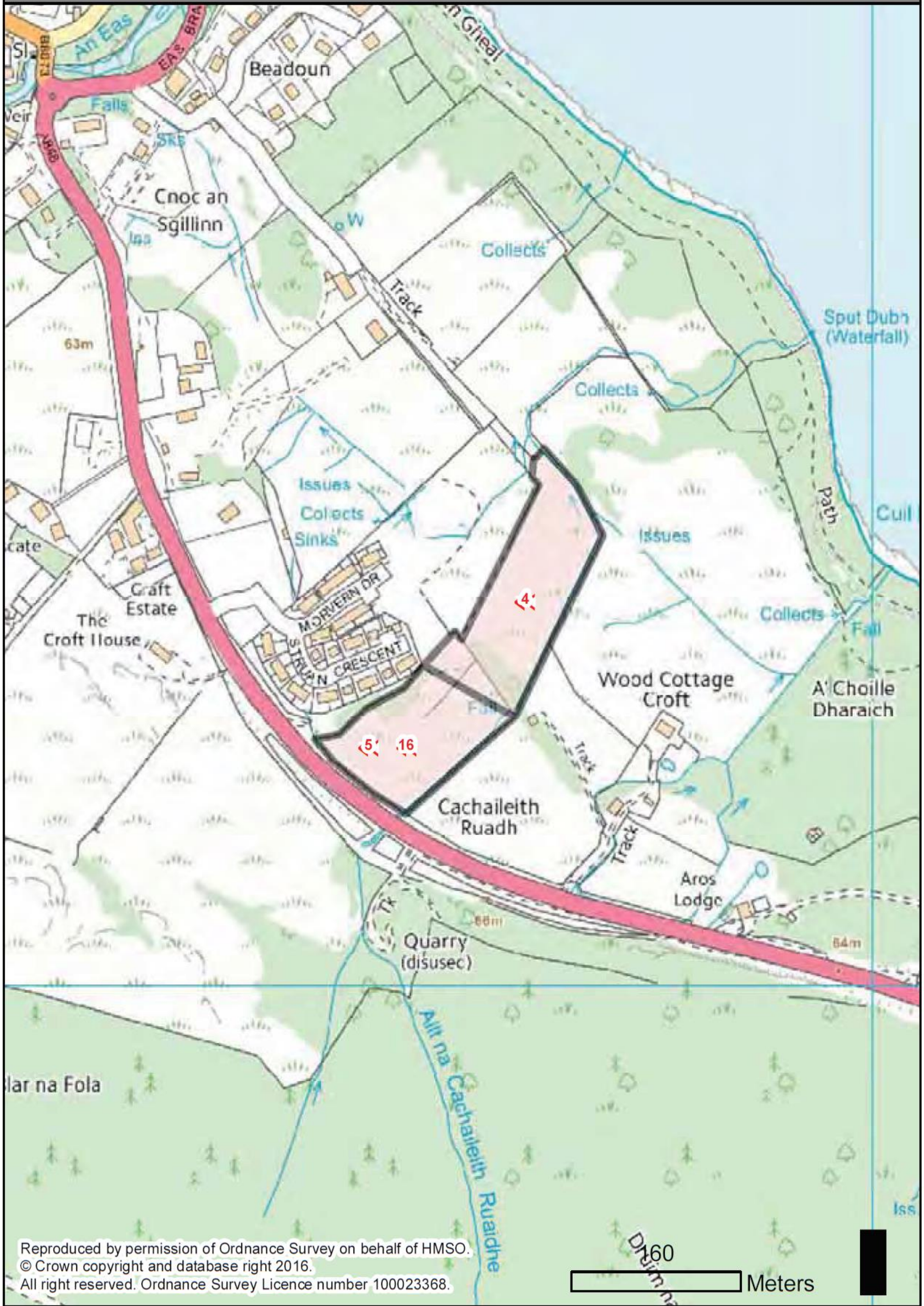
Site ref no: 4 | Proposed use: Residential | Initial rating: Amber

Tobermory South



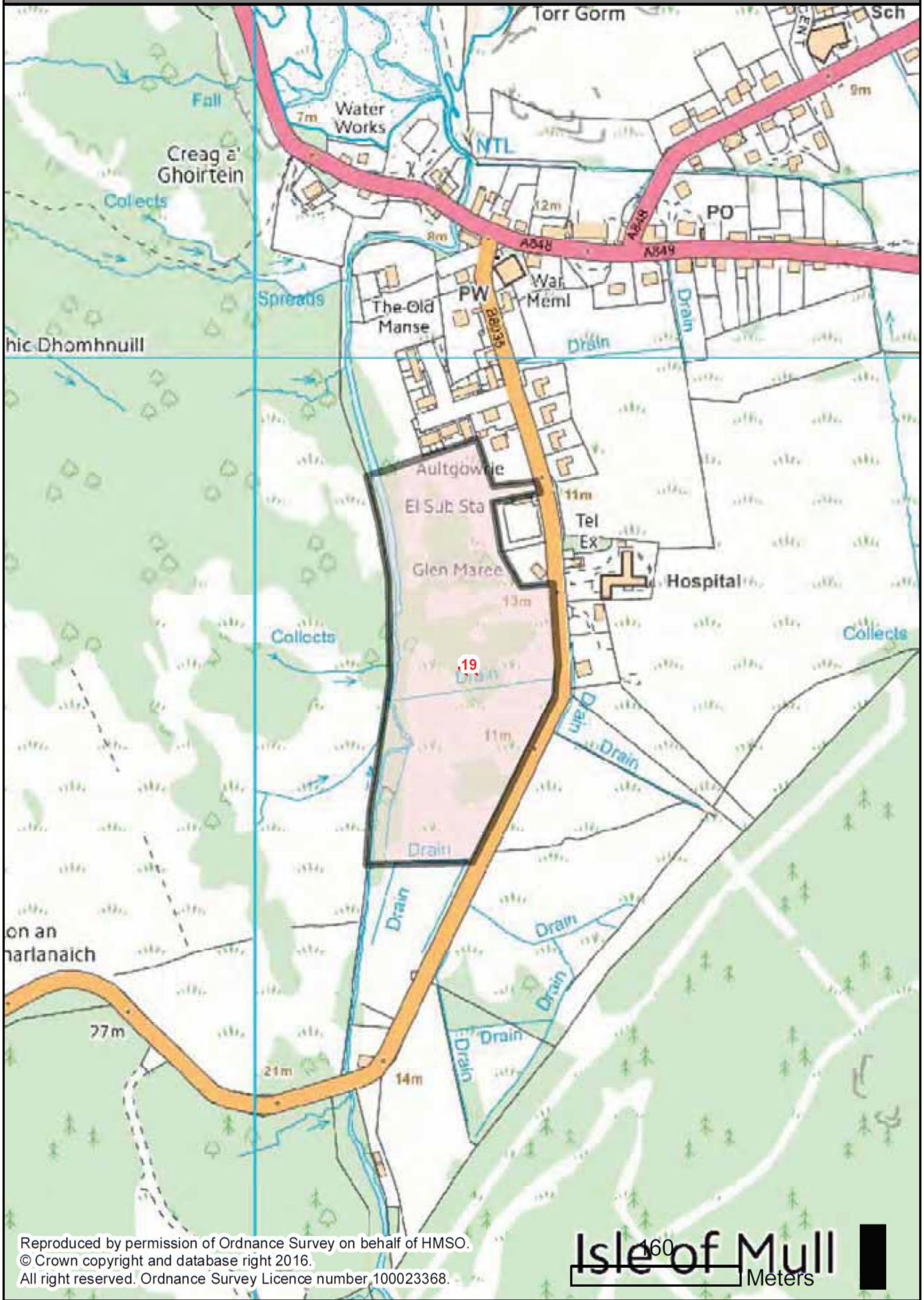
Site ref no: 5	Proposed use: Tourism - campsite or hotel	Initial rating: Amber

Tobermory South



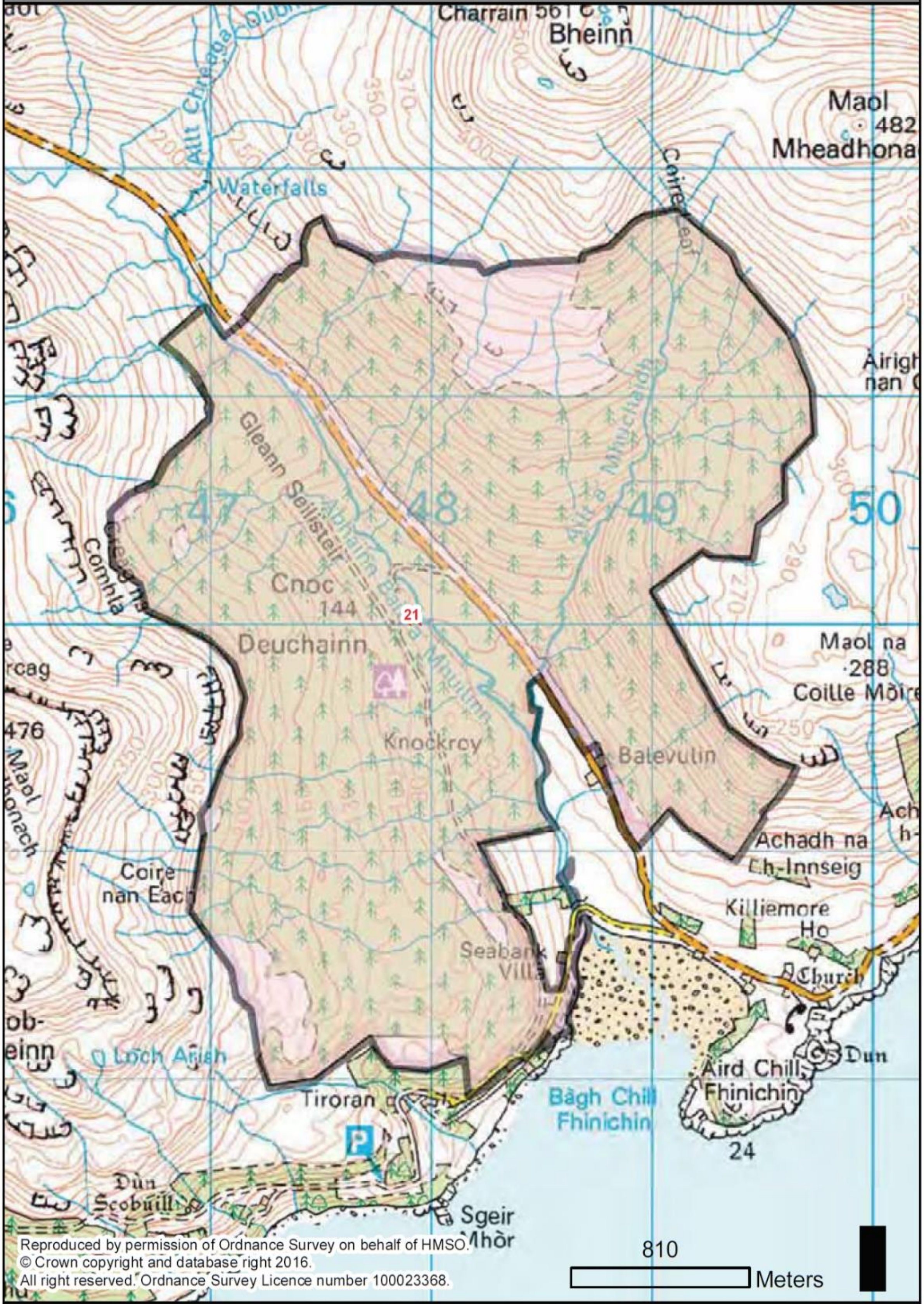
Site ref no: 16 | Proposed use: Retail | Initial rating: Red

Land situated to the west of the B8035 (south of Glen Maree), Aros, Salen, Isle of Mul



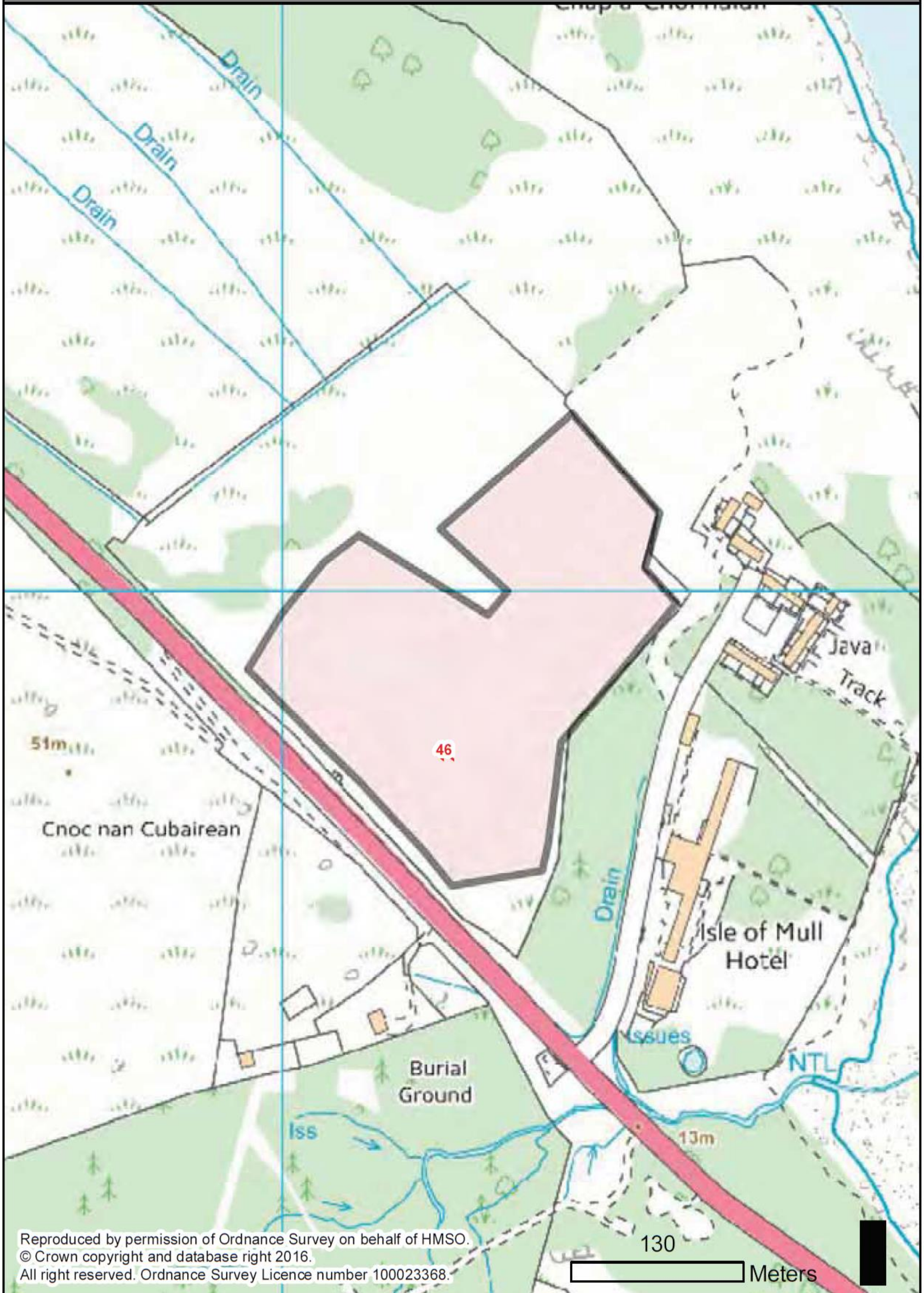
Site ref no: 19 | Proposed use: Residential | Initial rating: Amber

Tiroran Community Forest, Tiroran, Isle of Mull



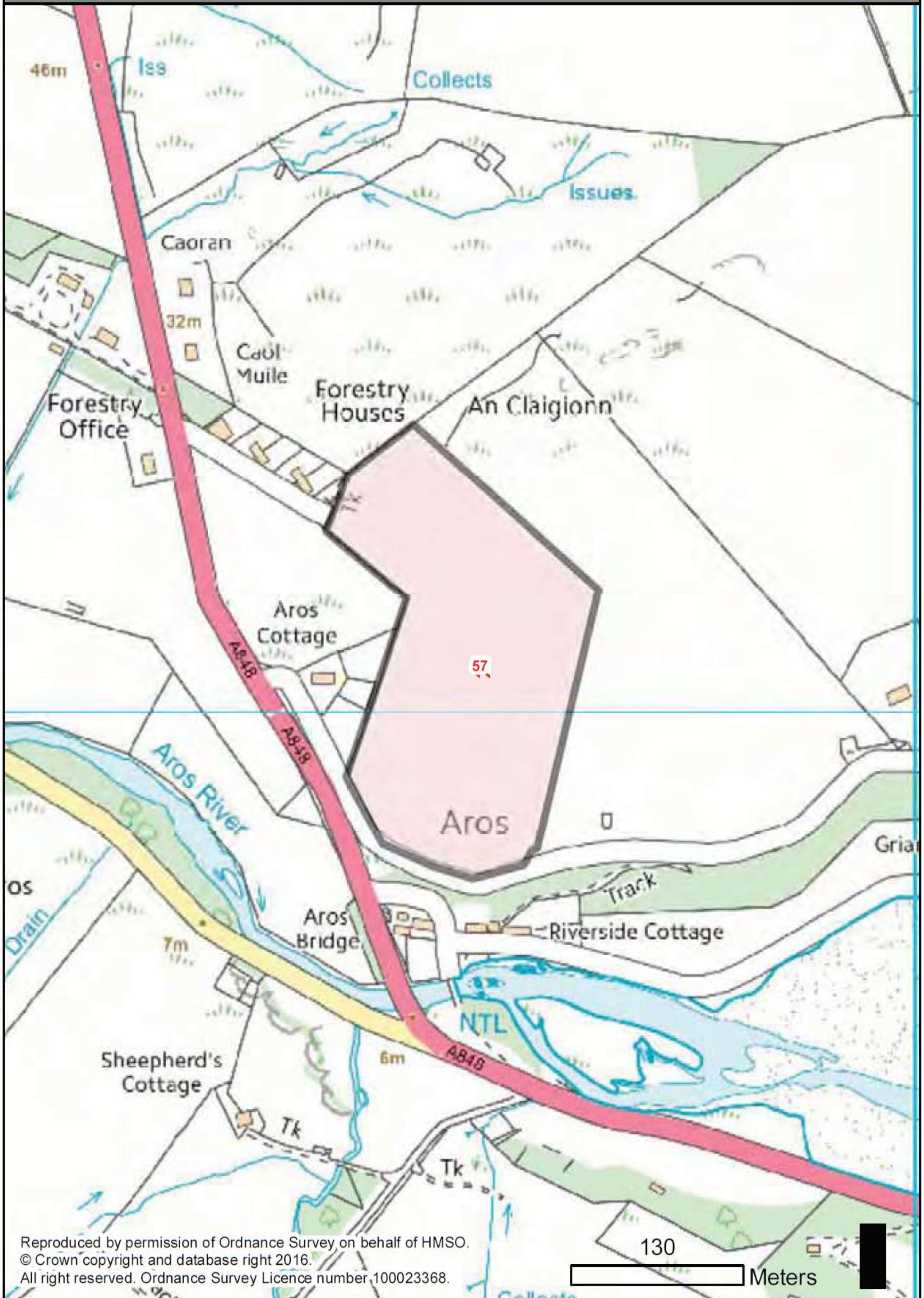
Site ref no: 21	Proposed use: Community Woodland - mixed uses incl. tourism facilities/accommodation, leisure, business/ industry units, residential, burial site.	Initial rating: Amber

Field next to Progressive Care Centre, Craignure, Isle of Mull



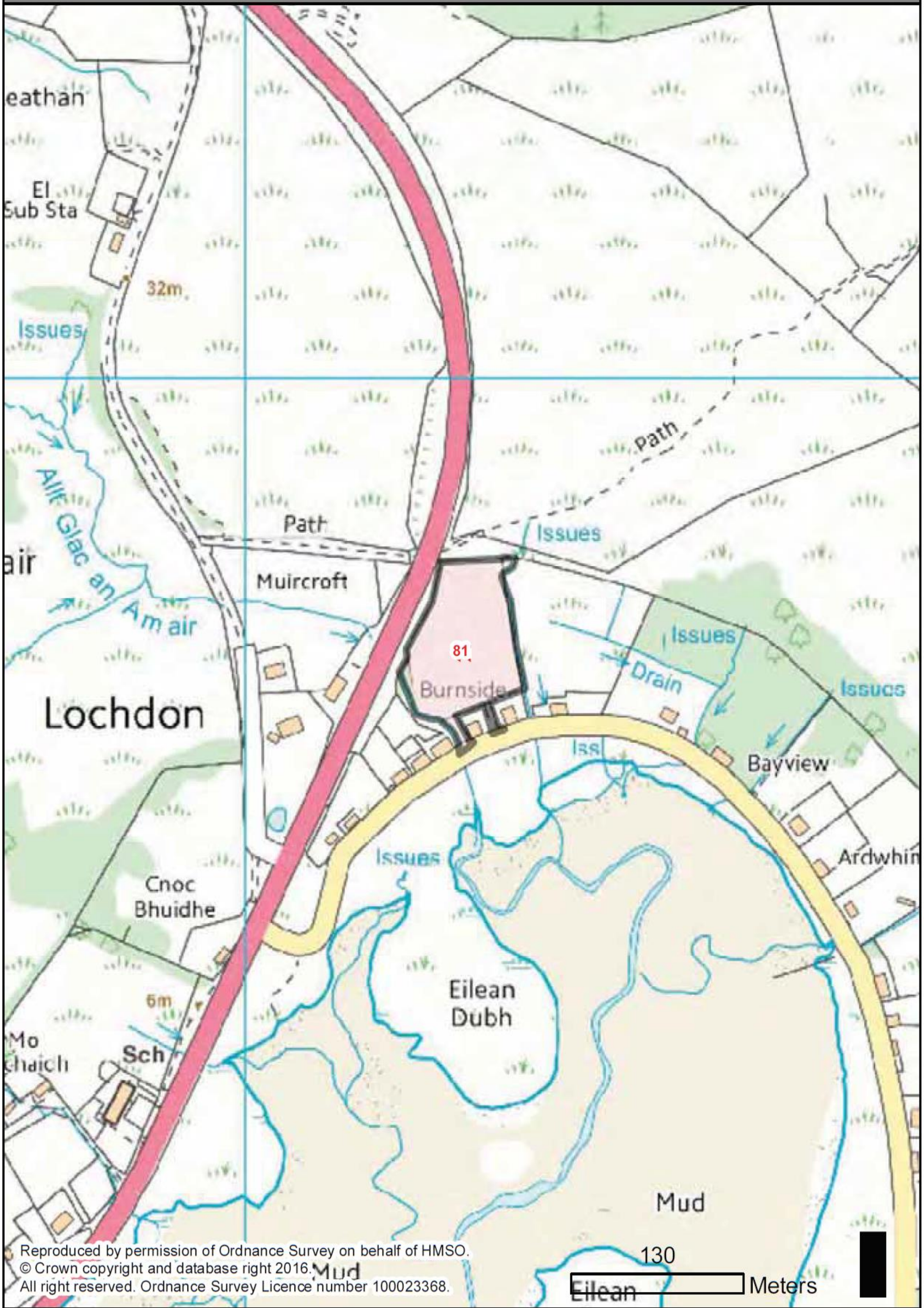
Site ref no: 46	Proposed use: Residential	Initial rating: Amber

Land East of Aros Cottage, Aros, Isle of Mull



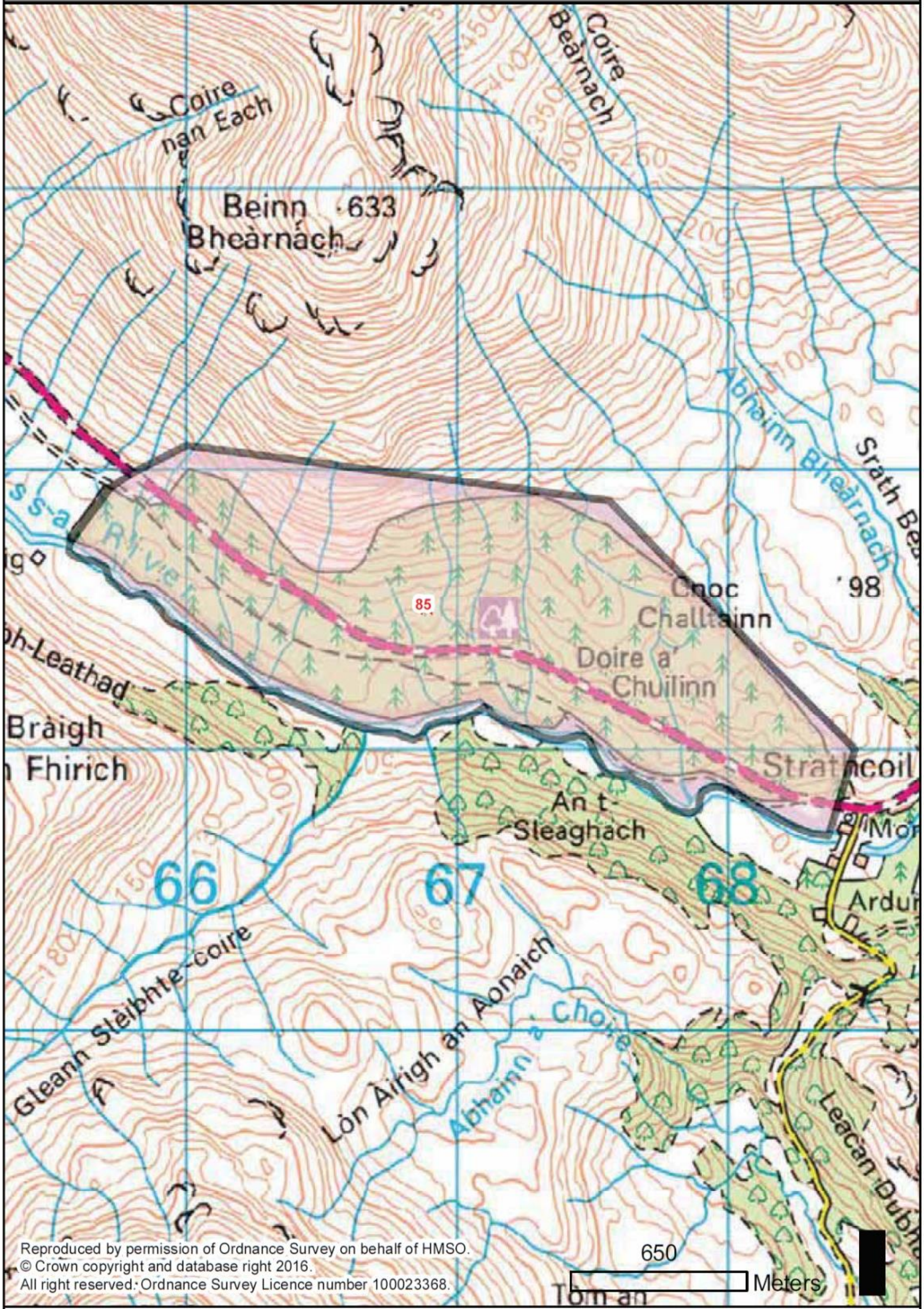
Site ref no: 57 | Proposed use: Residential | Initial rating: Red

Land to the North of Burnside, Gorton Road, Lochdon, Isle of Mull



Site ref no: 81 | Proposed use: Residential | Initial rating: Red

Ardura Forest, Mull



Site ref no: 85 | Proposed use: Community Woodland - Mixed uses inc. Leisure, Education, Camping | Initial rating: Amber

[i] Empty Homes figures provided by Empty Homes Officer for Argyll and Bute Council
[ii] Rounded percentages provided by Argyll and Bute Council. Original data source: Home Analytics
[iii] https://statistics.gov.scot/home
[iv] https://statistics.gov.scot/home
[v] https://statistics.gov.scot/home
[vi] https://statistics.gov.scot/home
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