

ARGYLL AND BUTE HOUSING EMERGENCY – PROGRESS REPORT

1.0 EXECUTIVE SUMMARY

- 1.1 In June 2023 the Council's Environment, Development and Infrastructure (EDI) Committee declared a Housing Emergency due to a consistent reduction in supply of housing, a steady increase in demand for housing across all tenures and increasing levels of un-affordability.

The Committee approved the following:-

- The intention to update the Local Housing Strategy
- The intention to hold an Argyll and Bute housing summit together with relevant stakeholders in the Autumn of 2023
- Note the operational officers group will explore and develop a series of options that will be brought forward to Members for consideration as and when developed.

- 1.2 This report is to update EDI Committee on progress towards these intentions and generally tackling the Housing Emergency.

- 1.3 A wide range of activity has been progressing including arranging a Housing Summit for November, draft revisions to the Local Housing Strategy Update, actions of the Officer Housing group, focusing initially on exploring release of Council Assets suitable for housing, liaison with National House Builders, exploring facilitation of constrained sites, partnership working with RSLs, improving the evidence base to justify innovation and intervention, working to secure Rural Housing Body Status, refining HOMEArgyll letting policy, exploring changes in the land use planning system; developing worker housing, and re-evaluation of the ex- Council Stock buy-back scheme.

RECOMMENDATION

Members of the Environment, Development and Infrastructure Committee are asked to:-

- i. note and consider the activity and progress that is ongoing in pursuing the EDI Committee approved intentions and generally seeking to address the Housing Emergency.

ARGYLL AND BUTE HOUSING EMERGENCY – PROGRESS REPORT

2.0 INTRODUCTION

- 2.1 In June 2023 the Council's EDI Committee declared a Housing Emergency due to a consistent reduction in supply of housing, a steady increase in demand for housing across all tenures and increasing levels of un-affordability.
- 2.2 This Committee approved a range of actions and this report is to update the EDI Committee on progress towards these intentions and generally tackling the Housing Emergency.

3.0 RECOMMENDATIONS

Members of the Environment, Development and Infrastructure Committee are asked to:-

- i. note and consider the activity and progress that is ongoing in pursuing the EDI Committee approved intentions and generally seeking to address the Housing Emergency.

4.0 DETAIL

A HOUSING EMERGENCY

- 4.1 In June 2023 the Council's EDI Committee declared a Housing Emergency due to a consistent reduction in supply of housing, a steady increase in demand for housing across all tenures and increasing levels of un-affordability.

The Committee approved the following:-

- The intention to update the Local Housing Strategy
- The intention to hold an Argyll and Bute housing summit together with relevant stakeholders in the Autumn of 2023

- Note the operational officers group will explore and develop a series of options that will be brought forward to Members for consideration as and when developed.

4.2 This report is to update EDI Committee on progress towards these intentions and generally tackling the Housing Emergency.

The intention to update the Local Housing Strategy

4.3 There is a statutory requirement for the Council to produce a Local Housing Strategy(LHS). The current LHS covers the period 2022-2027. There is also a requirement to provide annual updates on the progress towards the targets set in the LHS. On September 19th 2023 the draft annual update was reported to the Strategic Housing Forum which is the Housing Market Partnership required to be in place to scrutinise the LHS process. The draft annual update highlights some of the new issues which have come to the fore; particularly the need to address issues in the private sector supply of speculative new build housing, and the need to consider the requirements for regulation of the existing private stock and its use, particularly second homes and holiday lets.

4.4 The final LHS update will be produced for February 2024 EDI Committee with a summary feedback from the housing summit. A more detailed report on outputs will follow later, and subsequently the intention will be to amend the LHS Action Programme with any identified actions coming from the Housing Summit or other work. This is likely to be May 2023.

The intention to hold an Argyll and Bute housing summit together with relevant stakeholders in the Autumn of 2023

4.5 The summit will take place on 27th November at the Scottish Association for Marine Science (SAMS) buildings at Dunbeg. The Council has appointed Arneil Johnston consultants to assist with the organisation and delivery of the event. Initial discussions have taken place with the consultants and 4 broad themes have been proposed:-

- Enabling the delivery of more market homes in Argyll and Bute
- Enabling the delivery of more affordable homes in Argyll and Bute
- Enabling the delivery of homes for Argyll and Bute's workforce
- Making the best use of existing homes in Argyll and Bute

4.6 Within the themes there will be a focus on topics such as tackling the homeless crisis, dealing with the skills shortage in the construction industry, encouraging the private sector to build housing in Argyll and Bute, effective procurement methods, tackling ineffective housing stock in the local authority area and the summit will also explore the construction methods available to deliver housing.

4.7 The following activities were planned in preparation for the event:-

- A questionnaire has been issued to the public to get their up to date views on the housing situation in Argyll and Bute;
- A questionnaire has been issued to businesses to gather up to date views on the housing situation in Argyll and Bute in relation to business sustainability and expansion; and
- Pre-summit themed Teams meetings have taken place with stakeholders within organisations who will be attending the event to ensure that the summit will have a clear focus on solutions to assist alleviate the current housing emergency.

4.8 Speakers are still being finalized but are likely to include Shelter, Homes for Scotland and or the House Builders Federation, Scottish Futures Trust & HIE.

Note the operational officers group will explore and develop a series of options that will be brought forward to Members for consideration as and when developed.

4.9 The Officers Group which has been set up within the Council to assist in tackling the housing emergency has been meeting on a regular basis throughout 2023. The early focus has been on Council owned assets and exploring how they could be used to assist in tackling the housing emergency. The group also has a remit to discuss Council interventions which could assist partners to deliver housing in the local authority area.

4.10 Key actions which have been undertaken or are in progress include:

- The lease of a Council owned 2 bedroom property in Fionnphort, Mull to the Mull and Iona Community Trust (MICT) for the purpose of creating worker accommodation. 2 workers now occupy the property – one worker employed by Historic Environment Scotland and one worker employed by National Trust Scotland;
- A Council owned flat in Tobermory has been brought back into use for the Education department;
- Ironsides Farrar have been appointed to undertake initial site investigations of Council owned sites at Balemartine, **Tiree**, Crossapol, **Tiree**, Arinagour, **Coll**, Killarow House, Bowmore, **Islay** and the Hermitage Primary School Annex, **Helensburgh** with a view to enabling housing delivery on these sites; and
- Exploring options for alternative use of office buildings surplus to requirements in **Oban**.

4.11 The Council are being supported by an Officer from HubNorth to develop business cases for some of these potential proposals. RSLs have expressed interest in the small island sites which are being investigated.

National House Builder Liaison

4.12 Meetings have been held with representatives of National House builders to discuss their strategic plans and what opportunities there are to unlock development and how the Council can assist.

Facilitating Existing Constrained Housing Sites

- 4.13 Examining potential to tackle infrastructure impediments in Oban, Helensburgh and Cardross housing sites which could involve Council intervention through land acquisition and or delivery of infrastructure utilising the Housing Infrastructure Fund.

RSL Partnership Working To Deliver Housing Land

- 4.14 The Council is working with RSLs to unlock new housing development sites and lever in funding. The Council has approved the potential use of CPO powers to assist deliver of site assembly at unsafe buildings on Clyde Street, Helensburgh and ACHA would potentially re-develop. Fyne Homes / the Council and HES are working to unlock Rothesay Academy site. West Highland are exploring potential delivery at Loch Awe. The Council is working with RSL partners on many other sites as explained in the Council's Strategic Housing Investment Plan.

Establishing Better Evidence For Decision Making:

- 4.15 A Community Planning Survey is being carried out as part of the work to refresh the Local Outcome Improvement Plan. A survey of local residents has already identified that Housing is seen as the second priority behind improved transportation for our communities. An in depth sample follow up survey has been designed focusing on Islay as an example of an area with high demand and affordability issues. It will seek to identify further detailed understanding of the views of this group of people and particularly their views about potential actions and interventions the Council may consider.
- 4.16 Consultants are due to complete specialist legal, planning and chartered surveyor specialist advice regarding the application of occupancy controls through different legal mechanisms. This will support any potential choice to apply requirements for housing to be restricted to primary occupancy as opposed to holiday homes or short term letting, and or other obligations in terms of local key workers and or affordability.
- 4.17 Consultants are surveying our Island populations, and analysing the Island private housing market to establish a clear definition and identification of Market Failure. This will be a crucial piece of evidence which the Council will need to rely on if, in identifying potential future interventions in the housing market, it chooses to use the Council's Wellbeing Powers. This might be for example if the Council builds market housing for sale as is proposed by the Rural Growth Deal Housing Pilot.
- 4.18 Officers have worked in collaboration with other Local Authorities, Scottish Futures Trust and Brodies LLP to explore the potential options for Council interventions in the private housing market, the circumstances and mechanisms which may be appropriate, and the foundations which need to be put in place to minimise risk and comply with legislation.

Rural Housing Body Status

- 4.19 The Council applied to Scottish Government for Rural Housing Body Status at the beginning of 2023. Scottish Government have carried out in partnership with the Council's Housing Service an impact assessment of the proposal. This involved surveying local stakeholders that might be affected.
- 4.20 Scottish Government has indicated the Council should be awarded Rural Housing Body status on 29th November 2023. Doing so gives the Council the ability to apply Rural Housing Burdens to properties it has constructed, purchased, or consented. This will be another potential important tool, particularly in ensuring the affordable homes remain affordable homes in perpetuity. Rural Housing Burdens can be used to introduce property burdens that will ensure property remains in use for its intended use. The intended use could be a range of affordability and or occupancy criteria. Officers will explore in more detail proposals for how these Burdens might be used in a way which best contributes to tackling the Housing Emergency and will report these to Council for approval.

Home Argyll Changes

- 4.21 In September, Council approved changes to the HOMEArgyll common allocations policy. The changes were proposed in response to the Housing Emergency and in partnership with RSLs.
- 4.22 It is hoped the reduction in offers for 200 point housing applications will streamline and accelerate the process of finding permanent tenancies particularly for homeless applicants. The changes also allow for flexibility in the allocations policy where there are particular pressures identified and particularly this will allow the allocation of two bedroom properties to single person households in areas of high pressure including Lorn and Helensburgh.
- 4.23 The Council has also requested that the HOMEArgyll partners increase from 50 to 60%, the proportion of allocations to homeless applicants in times where the Council has been forced to use unsuitable temporary accommodation.

September PPSL Report

- 4.24 A report was presented to September PPSL outlining the areas where the Land Use Planning Framework might be reviewed to contribute to tackling the Housing Emergency. ([SEPT PPSL DRAFT HOUSING ISSUES v0.2.pdf](#) (argyll-bute.gov.uk)). The report recommended the following actions:
- Officers explore the options for designation a short-term let control area/s for all, or parts of the planning authority's area and report back to PPSL;
 - Officers prepare a Technical Planning Note in support of NPF4 and LDP2, providing updated guidance on affordable housing delivery

including its retention in perpetuity and accommodating key workers for consideration by Members; and

- Officers prepare a draft Technical Note in support of NPF4 and LDP2, that will provide guidance on how we ensure housing is delivered to meet the local housing need as identified by the Housing Needs and Demand Analysis, including potential occupancy restrictions for consideration by Members.

Tobermory Worker Housing

- 4.25 The Council has submitted a planning application for 12, 2 bedroom cottage flats on a site owned by the Council at Rockfield Road, Tobermory. The intention is to develop the road and infrastructure for this site utilising Rural and Islands Infrastructure funding as a first phase of development during the summer of 2024. The second phase, funded through the Rural Growth Deal, will be to develop the first block of four 2 bedroomed flats, which will be used as worker accommodation. The Council is working in partnership with MIGHT and it is the intention MIGHT will act as managers of the premises.

Buy Back Scheme Re-Evaluation

- 4.26 Along with RSL Partners the Council have been operating a buy back scheme which facilitates the purchase of ex-social housing and its return to RSL use. This is funded by Scottish Government, however operation of the scheme has shown the grant levels do not match the average purchase prices experienced in much of Argyll and Bute for this type of property. Discussion with Scottish Government has resulted in an amendment to understanding of the funding regime such that no maximum ceiling purchase price will be applied. It will be open to RSLs to make a case to justify why any proposed purchase price is justified in terms of the realities of the local housing market prices, and the need and demand in that area. This has the potential to make this scheme significantly more popular and effective.

Resource

- 4.27 Following the declaration of the Housing Emergency, the Housing Group has met, and officers continue to work at speed to explore and develop the potential interventions that have been requested. There is an emerging need for the Council to be more consistently proactive in its approach to facilitating housing sites both affordable and private and to develop innovative proposals in sufficient detail to enable their robust justification. The existing resources of the Services involved are not able to move these forward at the speed required by the Housing Emergency. It is suggested that the allocation of a Project Officer will assist in accelerating progress and this is addressed in another paper on the EDI agenda.

Settlement Project Support Officer

- 4.28 The Council's Settlement Project Support Officer has been undertaking a range

of works following approval from the Environment, Development and Infrastructure Committee on 31 August 2023 and an update report has been prepared for the Environment, Development and Infrastructure Committee on 30 November 2023. Going forward, the Settlement Project Support Officer will be looking at a wider scope of work including issues relating to the Housing Emergency declared by the Council, and will be assisting the coordination of works with the Project Officer for housing. Future reports of a housing nature will include works of the Settlement Project Support Officer.

5.0 CONCLUSION

5.1 Since the Council's declaration of a Housing Emergency, considerable activity has been focused on exploring new methods and solutions to tackle the housing shortages, and to bring renewed focus to delivering business as usual. A Housing Summit has been arranged. Research has been commissioned. Policy changes are being discussed and agreed. Housing site delivery and overcoming impediments to delivery is being prioritized. Many of these actions are preliminary actions and officers will report further progress once the Housing Summit has been hosted and further information and consultation has been collected.

6.0 IMPLICATIONS

6.1 Policy – The ongoing activity is consistent with current Council priorities and the Local Housing Strategy vision and outcomes which are directly aligned with the overarching objectives of the Outcome Improvement Plan, in particular Outcome 2 – we have infrastructure that supports sustainable growth.

6.2 Financial – None directly arising from this report but future housing delivery actions will require additional funding at some stage from the council and our partners if delivery is to be accelerated.

6.3 Legal – None.

6.4 HR – None.

6.5 Equalities (Fairer Duty Scotland) – The activity outlined in the report is consistent with aims and objectives set out in the local housing strategy, which is subject to an EQIA.

6.5.1 Equalities – Protected Characteristics – There are targets set within the SHIP to deliver housing which meet the needs of specialist groups.

6.5.2 Social-Economic Characteristics – The delivery of affordable housing across Argyll and Bute facilitates socio-economic opportunities for all. The SHIP links with the Child Poverty Strategy.

- 6.5.3 Islands – The delivery of affordable housing across Argyll and Bute facilitates socio-economic opportunities for all. The SHIP links with the Child Poverty Strategy.
- 6.6 Risk – The Housing Needs and Demand Assessment process takes full account of housing need on the islands.
- 6.7 Climate Change – New housing in the right location helps reduce carbon outputs particularly when heating is provided using renewable energy and utilizing high standards of insulation which can also be applied to existing stock.
- 6.8 Customer Service – None.

Kirsty Flanagan, Executive Director with Responsibility for Development and Economic Growth

Councillor Robin Currie, Policy Lead for Strategic Development

October 2023

For further information contact:

Fergus Murray, Head of Development and Economic Growth
Fergus.Murray@argyll-bute.gov.uk

Matt Mulderrig, Development Policy and Housing Manager
Matt.Mulderrig@argyll-bute.gov.uk

Douglas Whyte, Team Lead – Housing Strategy
Douglas.Whyte@argyll-bute.gov.uk