



**Chief Executive/Àrd-oifigear**  
Pippa Milne

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Dear Ms Burgess

## **HOUSING EMERGENCY**

Thank you for your letter of 28th June. Argyll and Bute Council welcome your inquiry into the housing emergency.

Argyll and Bute was the first Council in Scotland to declare a housing emergency, which it did in June 2023.

The issues surround housing, both locally and nationally, are complex and wide ranging. I have attached the report to our Environment Development and Infrastructure Committee which set out the basis for declaring the housing emergency. In summary this area has faced the following:

- A reduction in the housing supply, coupled with a sustained increase in demand.
- A significant increase in property values, at a rate well above national and local wage increases.
- There is a smaller percentage of the housing stock available as socially rented accommodation due to changes in the local economy.
- Property has been a financially attractive investment for those with available capital, helping to drive increased prices.
- Significant construction inflation, 22% during 21/22, with island costs even higher.
- Significant labour/skills shortages across a range of professions and trades.
- Highest proportion of second homes in Scotland, 11% of all homes are either second homes (6%) or empty (4%).

These issues have a detrimental impact on the area in that:

- Local businesses cannot recruit employees, as they have nowhere to live.
- Local people are priced out of the market.
- Local services (e.g. health services, schools, shops) have a shortage of people to do essential jobs due to the lack of housing.
- Young people are leaving communities due the lack of housing options.

Argyll and Bute transferred its housing stock to Argyll Community Housing Association (ACHA) but remains the Strategic Housing Authority working with 4 partner registered social landlords. Prior to the declaration of the emergency, housing was already a priority issue for the area. Work already included:

- The Council's award winning empty homes team expanding its work to bring disused properties back in to use.
- Developments in Helensburgh to deliver private new build market homes at scale, supported by our team, working in partnership with HMNB Clyde the major employer in the area.
- Phase 3 of Dunbeg (north of Oban) coming to completion with plans underway for phase 4 with 251 new affordable homes on site during 21/22.
- More social housing built on the islands over a number of years.
- Community Housing groups supported to deliver their own housing developments in places such as Colonsay, Ulva, Ulva Ferry and Gigha.
- £2m in 21/22 invested in improving housing stock energy efficiency with a further £2m in 2022/23.
- Taking forward key worker housing through the Rural Growth Deal in places such as Tobermory and Bowmore.

To support the work to tackle the emergency officers have set up an operational Officer Housing Group with senior officers from across the Council's services taking a system wide approach. This group assesses key barriers and constraints to development, considering direct intervention at all levels including radical housing delivery models and potential new policy measures that could be employed by the Council or Scottish Government.

A number of policy measures have already been enacted or are under active consideration:

- In April 2024 the Council implemented a 100% council tax premium on second homes.
- Double council tax applies to unoccupied and unfurnished property not being actively marketed for sale or let.
- Short term let control zones are currently under active consideration.
- The Council became a Rural Housing Body, which allows it to attach primary residency burdens to property.

The Council also held a Housing Emergency Summit on 27th November 2024 to build and harness collective action from a range of partners including:

- Senior decision makers in local and national public sector bodies including the NHS, Scottish Futures Trust and Highland & Islands Enterprise
- Senior decision makers in Argyll & Bute Council
- Housing developers both commercial builders and Housing Associations
- Representatives from the Community Housing Network
- Local business leaders and funding bodies
- Third sector organisations and support agencies.

The Summit was designed to focus partnership activity on prioritising and programming emergency responses across four themes:

- Enabling the delivery of more market homes
- Enabling the delivery of more affordable homes
- Enabling the delivery of homes for the area's workforce
- Making the best use of existing homes.

I have attached a report from the Summit and the action plan that has been developed.

As a stock transfer Local Authority, Argyll and Bute does not directly manage the housing stock but we do work closely with our RSL partners on affordable housing delivery.

### Void Properties

Our HOMEArgyll partners (Argyll Community Housing Association, Fyne Homes, Dunbritton and West Highland HA) use Common Housing Register and properties are allocated using the Common Allocation Policy. Occasionally, void properties come up in areas where there is lower demand. The HOMEArgyll website is used to advertise properties available for immediate let, as at 26th July there are 5 properties available in Argyll and Bute. [Home Argyll | Available homes](#)

Argyll Community Housing Association (ACHA) currently have 44 void properties in Campbeltown. Due to the condition, these are scheduled for demolition with plans in our Strategic Housing Investment Plan (SHIP) to replace with 20 new affordable housing units. Approval has been obtained from Scottish Government to demolish the properties.

### Empty Homes

In terms of empty homes as at 1st June 2024, our Council tax records record:

- 760 Empty homes
- 822 Empty homes subject to levy
- 966 Exempt & Empty Homes (i.e. those living/detained elsewhere; deceased owners; empty under statute etc.)

To address issues with empty homes in the area we have an Empty Homes Officer who engages with private owners to provide tailored advice and assistance to help bring them back into use.

In addition we have 'Empty Homes Officer – Health Social Care Partnership (HSCP)' project post who works with private owners to identify solutions to bring empty homes back into use specifically for HSCP staff.

### Buyback Scheme

Argyll and Bute Council is committed to addressing the acute shortage of affordable housing across the area. The Buy Back Scheme aims to acquire housing in areas of high housing need to increase the social housing stock in Argyll and Bute. We facilitate the Buyback Scheme enquiries on behalf of our HOMEArgyll RSL partners which is promoted on the Councils website - [Argyll and Bute Buy Back Initiative | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)

As at 6th June our RSL partners have acquired **14** properties via buyback scheme. There are a further **8** going through legal/funding applications, and a number of properties are currently being assessed.

I trust that the above information will assist your inquiry. Argyll and Bute Council would be pleased to contribute further if we can be of further assistance as your work progresses.

Yours sincerely

Pippa Milne  
Chief Executive

Attachments:

Environment Development and Infrastructure Committee report from June 23 declaring the  
Housing Emergency

Housing Summit Report

Housing Summit Action Plan





# **Argyll & Bute Housing Emergency Summit Action Plan**



## Introduction

In June 2023 Argyll and Bute Council 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 Council undertook to hold an Argyll and Bute housing summit together with relevant stakeholders in the Autumn of 2023.

Declaring a housing emergency in Argyll and Bute is a call to action for government, public bodies and partners. It is intended as the catalyst to bring partners, stakeholders, investors and communities together to prioritise and commit to the collective action needed to tackle housing shortage. The Council is working hard with partners to programme a broad range of activities, both in the short term and long term, to target this collective action where it is needed most.

The Housing Emergency Summit was held on 27<sup>th</sup> November 2023 at the SAMS Campus, Oban, and 92 delegates attended. The purpose of the Summit was to bring partners together to forge commitments aimed at tackling housing shortage by maximising resources, pursuing innovation, coordinating planning and targeting delivery capacity. Details of the summit can be found in the [Housing Summit Report](#).

The scale of housing emergency in Argyll & Bute is greater than the capacity of any one agency to address. A key outcome of the Housing Emergency Summit was the creation of a shortlist of priority actions and interventions to address housing shortages, to act as the catalyst for collective action.

The result is a Housing Summit Action Plan that is set out below, and covering each housing emergency priority. This will allow delivery partners to set proposed timescales, specify activities and detail partner responsibilities to drive further action and implementation. It is proposed that the collective identified actions to tackle housing shortage should be programmed initially over a 5-year delivery period and subject to regular review.

The Council has identified the Action Points the Council is able to take forward as lead partner, and where appropriate has identified an indicative delivery timescale, and any likely delivery partners. It is also likely the Council will identify additional actions that were not prioritised, but are contained within the Housing Summit Report, to take forward in the development of future housing strategy.

Given the scale of collective action required, the Council is not able, resourced sufficiently, or empowered to tackle and deliver all of the identified Action Points. In the first instance, the Housing Summit Action Plan has been presented to the Community Planning Partnership Management Group (CPP). The CPP acknowledged the relevance and need for the identified actions and agreed to set up a CPP Housing Sub-Group which would be led by HIE to explore what and how the CPP might contribute.

The Council intends to incorporate relevant elements of the Action Programme into its Local Housing Strategy Action Programme as appropriate. The updated Local Housing Strategy Action Programme will then form the formal indication of policy and delivery for the Council as Housing Authority.

It is proposed that the Argyll and Bute Strategic Housing Forum and the Community Planning Partnership Management Group will also form appropriate vehicles for monitoring of progress, and suitable reporting mechanisms will be agreed and publicised on the Council's website.

## Housing Emergency Summit Action Plan

Housing Emergency Priority 1: Enable the Delivery of More Market Homes in Argyll & Bute					
Action Point		Progress	Priority Year 1-5	Lead Partner	Delivery Partners
1.1	Implement a more flexible approach to infrastructure, roads and design requirements on development sites.	New Roads Guideline / Almost complete / quick win	Year 1	Argyll & Bute Council (A&BC)	
1.2	Increase capacity within Council services key to housing development including Planning, Roads and Building Standards.	DM has increased capacity over recent months. New roads staff in place. Building Standards Fees increase over a 3 year period will improve resources. Monitoring performance. Scottish Govt. Resourcing Planning System Review is currently underway. Project officer to support Housing Group & improved internal communications has been agreed and is in the process of being recruited.	Year 1 / monitor	A&BC	Scottish Government
1.3	Dramatically increase the number of college places for construction skills development in Argyll & Bute.	Need to establish baseline, existing numbers, evidencing the need, scoping of options/ identification of target or direction.	1-3Years	A&BC	UHI / Construction Industry / Developers / Colleges / A&BC Education
1.4	Create an empowered Construction Forum bringing together all planning consultees to speed up decision making.	Current communication channels exists between all statutory consultees & Key Agencies involved in the planning process both at Planning application	Year 3	A&BC	



		stage, and during LDP production. Increased resources (see 1.2) will assist communication. Monitor improvement and evaluate need in year 3.			
<b>1.5</b>	Develop funding and risk sharing models to enable infrastructure investment in housing sites.	The Council is working with Scottish Futures Trust (SFT) and HubNorth who are already looking at this issue.	Ongoing	A&BC	Scottish Futures Trust, HubNorth
<b>1.6</b>	Repurpose vacant spaces/derelict buildings to deliver homes for sale or rent (see 4.2)	An additional Empty Homes Officer appointed with HSCP. NDR & Development and Economic Growth Teams developing repurposing with NDR.	Year1	A&BC	Private landowners
<b>1.7</b>	Use rural housing burdens and <i>RGD</i> /Partnership Support for Regeneration Funding (PSRF) enabling developers to offer principal homes at a fixed price	Rural Growth Deal Pilot will explore this delivery model. Outline Business Case already submitted. A&BC acts as developer in the pilot which will then be reviewed. A&BC seek to influence More Homes for review of PSRF	Year3	ABC	SG / UK Govt / SFT
<b>1.8</b>	Create supplementary planning guidance to bring forward sites for speculative building that are not a housing allocation in the current LDP, making it easier for developers to take forward	Feb 2024 LDP2 adoption allows consideration of development on a wider geographical area than previously. LDP3 work / OSDF / HSDF will seek to identify new development land.	Year 1 (re LDP2) & Yr3	ABC	

## Housing Emergency Priority 2: Enable the Delivery of More Affordable Homes in Argyll & Bute

Action Point		Activity	Priority Year 1-5	Lead Partner /	Delivery Partners
<b>2.1</b>	Consider the use of standard housing design types to speed up procurement planning approvals and building warrant approvals.	Primary beneficiary RSLs. RSLs should decide if they want it and take the lead with ABC being the supporting partner. Raise at Strategic Housing Forum.	Year 2/3	ABC Housing Forum / RSLs	RSLs / A&BC
<b>2.2</b>	Create a ring fenced infrastructure fund for Argyll & Bute similar to the Highland Council model	Highland Council model was a loan as part of their Rural Growth Deal.  Alternatives: HIF applications scheduled for several projects. Issue of RPA flexibility raised with SG & Housing Minister. Council funding strategic Master planning will facilitate planned future investment in strategic infrastructure. (see 1.8).	Ongoing.	A&BC	Scottish Government
<b>2.3</b>	Improve infrastructure planning across agencies	Seek to influence improvements. Liaison activity already happens prior to LDP production and National Infrastructure Plan but does not result in appropriate investment. Priority action.	Ongoing	COSLA / A&BC	Scott Govt

2.4	Freedom to use Scottish Government housing funding more flexibly and as an allocation with local administrative control	<p>Raised with More Homes division and Housing Minister</p> <p>Seek to influence change.</p>	Ongoing	A&BC / Community Planning Partnership (CPP)	Scott Govt / RSLs / Community Trusts
2.5	Use Rural Housing Body status to enable land assembly, master planning and infrastructure investment	<p>The following are proposed as more deliverable actions:</p> <p>A&amp;BC Have achieved Rural Housing Body Status, will implement to secure primary occupancy and potentially affordability in a variety of ways, guidance will be developed to support this.</p> <p>Land assembly and Master-planning will be considered through OSDF / HSDF and LDP3. (see 1.8)</p> <p>See 2.2 &amp; 2.3 for infrastructure investment.</p>	1/5years	A&BC	
2.6	Develop planning policies which tackle the housing crisis e.g. exception policies, Affordable Housing Policy contributions, rural burdens	Currently reviewing and developing new approaches to planning policy including: primary occupancy restriction, planning control for short term lets, include key worker definition in affordable housing, construction worker housing strategies, seasonal worker accommodation.	1-3years	A&BC	

<b>2.7</b>	Create funding mechanisms for Community Housing Trusts to finance feasibility studies, professional fees and approval process	Need to explore sustainable model for Community Housing Trusts & clarity of roles.	Ongoing	CPP / Scottish Government	HiREP / HIE / Community Trusts
<b>2.8</b>	Evidence the demand for intermediate housing to enable an RSL development pipeline and deliver more MMR and low-cost homes for sale	Have engaged with LAR to explore delivery of mid-market rent. Evidence exists within the HNDA. Will seek to review understanding of that evidence at Housing Forum, with a view to improving dissemination.		A&BC / Housing Forum	
<b>2.9</b>	ACHA to develop a minimum of 300 new build homes of mixed tenure and a minimum of 50 buy backs by 2029		1-5Years	ACHA	

### Housing Emergency Priority 3: Enable the Delivery of More Homes for Argyll & Bute's Workforce

Action Point		Activity	Priority Year 1-5	Lead Partner / Possible Lead Partner	Delivery Partners
<b>3.1</b>	Deliver seasonal and temporary workforce accommodation using short term occupancy agreements	Working with MICT to deliver worker accommodation on Mull. (HubNorth & SFT involved). HIE have expressed interest in contributing to this work. Temp construction worker accommodation also needs to be tackled. SSEN and Cruachan Conditions Example. SG and HIREP looking at the issue.	Year 1 & ongoing.	A&BC for Tobermory proposal.  CPP re wider issue.	MICT / UK Government & SG through Rural Growth Deal), HiREP / HIE.

3.2	Develop a strategic approach to evidencing the need for workforce housing in the public sector	<p>Already a lot of evidence/ HNDA / Consultants Reports / MICT survey / CPP survey. HSCP Empty Homes officer.</p> <p>CPP may be able to instigate a more formal route for monitoring live demand and consideration to a more collaborative approach such as sharing accommodation.</p>		<p>A&amp;BC</p> <p>CPP</p>	Public sector agencies.
3.3	Deliver emergency workforce housing options including the use of modular, temporary and tiny homes	<p>Rural Growth Deal worker housing project on Mull.</p> <p>HIREP work on worker housing.</p> <p>Housing Strategy conditions for major projects such as SSEN Sub-stations and Cruachan. Will incorporate in Planning Policy.</p>	Year 2-3	<p>A&amp;BC</p> <p>CPP</p>	SSEN / HiREP / HIE / DRAX
3.4	Deliver a Mid-Market Rent workforce housing programme	<p>LINK 18 units at Dunbeg.</p> <p>LAR exploring opportunities without Government Finance.</p>		<p>RSLs</p> <p>LAR</p>	
3.5	Identify public sector land and buildings which could provide workforce housing via repurposing and change of use.	ABC property is mapped.		CPP	

<b>3.6</b>	Use the Partnership Support for Regeneration Fund to enable private sector workforce housing models	Initial analysis suggested this would not prove attractive to developers in rural ABC. Will seek to influence SG / More Homes Division to review this Fund (see 1.7)	Ongoing.	A&BC	
<b>3.7</b>	Assess the potential to reintroduce the Rural Home Ownership Grant model for working households in partnership with Community Housing Trusts			Community Trusts	

#### Housing Emergency Priority 4: Make the Best Use of Existing Homes in Argyll & Bute

Action Point		Activity	Priority Year 1-5	Lead Partner	Delivery Partners
<b>4.1</b>	Further reform CPO processes to tackle abandoned homes more effectively	Empty Homes Officers have delivered empty property back in to use via CPO before, currently exploring on one property to see if interest from developer / purchaser. Not clear what reforms are needed if any. Input to SG consultation.	Low	A&BC	SG
<b>4.2</b>	Create a multi-agency team enabling mixed tenure refurbishment and regeneration projects (see 1.6)	Council NDR Team developing NDR relief scheme for empty property back in to use.	Ongoing.	A&BC	

		<p>Council CARS schemes. Private Sector Housing Grant funding to support this.</p> <p>Council APAG group for dangerous property.</p> <p>Work in Helensburgh Clyde Street with ACHA.</p>			
<b>4.3</b>	Develop a housing model that offers apprenticeships with tenancies to keep young people in Argyll & Bute	Home Argyll can discuss if they would want to implement a local lettings policy connected to apprenticeship.	Year2	Home Argyll Partnership	Construction Industry
<b>4.4</b>	Create more choice and flexibility within the Home Argyll policy to address identified housing pressures	Home Argyll partners amended lettings policy to allow prioritization of identified pressures.	Year1	HOME Argyll Partnership	
<b>4.5</b>	Increase the number of Empty Homes Officers with more flexibility to assemble funding	New Empty Homes officer employed in partnership with HSCP.	Year1	A&BC/HSCP	
<b>4.6</b>	Develop a better range of housing options for older people to encourage movement in existing housing stock	Incorporate into the LHS Action Programme and develop from there.	Year 2-3	A&BC CPP	
<b>4.7</b>	Introduce STL control areas in pressured housing market areas	Now short term let license applications have been received. We can explore process of consulting on and establishing planning control areas.	Years1-2	A&BC	
<b>4.8</b>	Double the Council Tax on Second Homes	This was implemented on the 1 <sup>st</sup> of April 2024.		A&BC	

		Have bid for additional officer resource to help support transition from second homes to long term rental.			
<b>4.9</b>	Map public sector land and buildings which could provide affordable housing via repurposing and change of use	Duplicates 3.5		CPP	
<b>4.10</b>	Extend the use of rural housing burdens across Housing Market Areas to maintain primary occupancy and/or affordability	Rural Housing Authority Status Achieved.  Models to utilize this being developed.	Years 1-2	A&BC	



# Argyll & Bute Council

## Housing Emergency Summit Report

### February 2024

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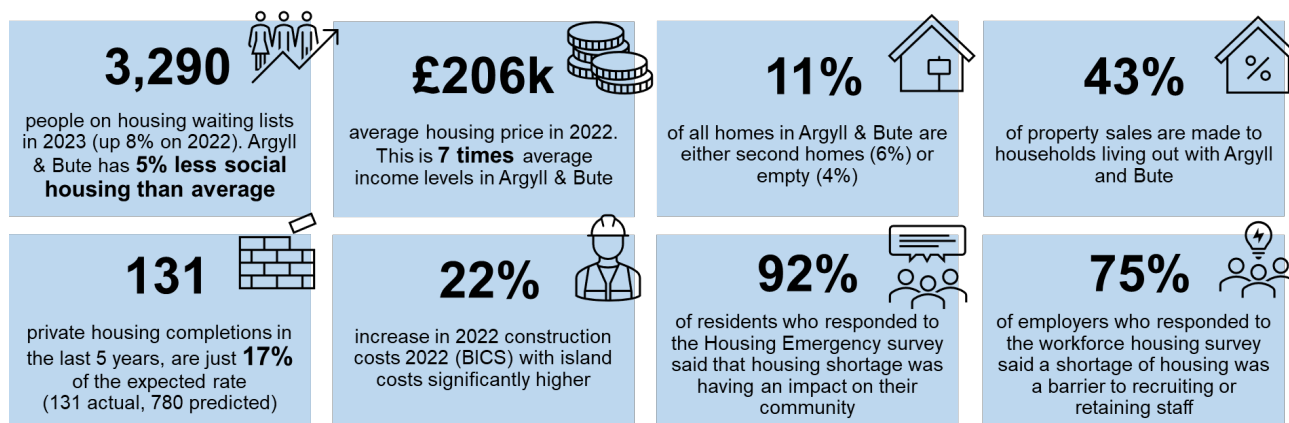
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Appendix 1: Housing Emergency Summit Attendance List  
Appendix 2: Housing Emergency Summit Event Presentation  
Appendix 3: Partner Pledge Matrix

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## 1 Introduction

In June 2023, Argyll and Bute Council declared a Housing Emergency due to the acute shortage of housing in the area. This emergency is driven by a complex range of issues including rising house prices and rents, reducing household incomes, growing construction costs, a drop in the number of new homes being built, a shrinking private rented sector and a local population which is both ageing and declining. The scale of housing shortage and housing system pressure evident in Argyll & Bute is illustrated by the following statistics:



Declaring a housing emergency in Argyll & Bute is a call to action for government, public bodies and partners. It is intended as the catalyst to bring partners, stakeholders, investors and communities together to prioritise and commit to the collective action needed to tackle housing shortage. The Council are fully committed to working with partners to programme a broad range of activities, both in the short term and long term, to target this collective action where it is needed most.

To build and harness this collective action, a Housing Emergency Summit was held on Monday 27th November 2023 at the SAMS Campus, Oban. The purpose of the Summit was to bring partners together to forge commitments aimed at tackling housing shortage by maximising resources, pursuing innovation, coordinating planning and targeting delivery capacity. Delegates attending the Emergency Housing Summit included:

- Senior decision makers in local and national public sector bodies including the NHS, Scottish Futures Trust and Highland & Islands Enterprise
- Senior decision makers in Argyll & Bute Council
- Housing developers both commercial builders and Housing Associations
- Representatives from the Community Housing Network
- Local business leaders and funding bodies
- Third sector organisations and support agencies.

The Housing Emergency Summit was designed to focus partnership activity on prioritising and programming emergency responses across the following four themes:



Summit delegates were presented with background information on the extent and nature of housing shortage, as well as potential solutions and interventions. Appendix A provides full details of the stakeholders who attended and participated in the Summit programme. In total, 92 delegates attended and participated in the Argyll & Bute Housing Emergency Summit.

This report details the outcomes of Summit activity including the shortlisting and appraisal of housing emergency responses and the collective partnership pledge to act on each response.

## 2 Background to Housing Emergency Summit

In advance of the Housing Emergency Summit, extensive analysis was prepared to evidence the extent and nature of the housing emergency in Argyll & Bute and to detail current planning and activity underway to tackle housing shortage. Partners were invited to explore this evidence and consider the extent of action and innovation needed to develop an appropriate emergency response, by engaging with the following interactive briefings:

<https://youtu.be/YHGcGm92ZDs?si=CSm6Pof609hwd02W>

[https://youtu.be/0f0uNOFmsls?si=o3DSX8SOIF\\_-vI2P](https://youtu.be/0f0uNOFmsls?si=o3DSX8SOIF_-vI2P)

[https://youtu.be/pl9-GMWbqel?si=o01q2eask\\_uOdF3Z](https://youtu.be/pl9-GMWbqel?si=o01q2eask_uOdF3Z)

<https://youtu.be/1Q37pQq62JQ?si=g4z6ROZfxKjwPO9e>

Briefings detailed the scale and complexity of housing emergency across each of the four Summit themes, stressing the need for brave and bold emergency responses to the following key issues:

### Market Homes: Key Issues

- In 2022/23, the average house price in Argyll & Bute (£219k) exceeded the Scottish average (£216k).
- House prices have increased by 26% in the last 4 years
- Just 1 in 4 households in Argyll & Bute can afford the average house price
- Rural house prices are 24% higher than urban areas with just 1% sales in rural areas
- In 2021/22, Argyll & Bute recorded the second lowest level of new housing completions of any local authority in Scotland at 31 completions per 10,000 households
- Argyll & Bute is the most expensive place to build in mainland Scotland (AHIP grant rate adjustment)
- Skills shortages and building site constraints are barriers to market housing development

### Affordable Homes: Key Issues

- There are c. 8,800 units of social housing, 18% of all stock which is 5% lower than Scotland
- Social rented stock has increased by just 3% (262 units) over the last 5 years
- Total vacancies in social housing have reduced by 20% since before the pandemic
- There are 6 applicants for every available social let in Argyll & Bute (10:1 in Coll & Tiree)
- In 2022/23, homeless applications were up by 28% on 2021/22, at 511 applications
- Whilst the SHIP programmes the delivery of 1,000 affordable housing units between 2023-28, there has been 3 consecutive years of underspend in the programme
- Home Argyll identifies significant demand for intermediate housing with limited delivery in the SHIP

## Workforce Homes: Key Issues

- The working age population in Argyll & Bute is projected to decrease by almost 30% by 2028
- 2/3 households believe young people are leaving their communities due to a lack of housing
- 77% of employers report that a shortage of housing is a contributing factor in recruitment and retention issues, with over 400 posts affected across 67 employers (6 posts per business)
- 90% of employers expect there to be a problem recruiting or retaining staff in the future
- 52% of employers have considered providing housing but discounted this because of financial constraints, a lack of homes to purchase and too much competition in the housing market
- Public sector employers report recruitment pressures impacting on the delivery of essential services

## Existing Homes: Key Issues

- Over 15% of Argyll & Bute's existing stock is not being utilised as a main residence including empty homes (4.4%), second homes (5.9%) and Short Term Lets (4.9%)
- Argyll & Bute records the highest level of second home ownership in Scotland
- 50% of households in Argyll & Bute cannot afford to access the housing market, with 43% of sales to households from out with the area
- For the first time in two decades, the private rented sector in Argyll & Bute is shrinking
- There is a mismatch between households and homes in the social housing sector with 56% requiring a 1-bedroom property (2,284) and just 268 1-bedroom homes available per annum

Furthermore, to identify and evidence the action that local communities and residents would prioritise to tackle housing shortage, an extensive online household survey was launched in October 2023, promoted across the Council's social media channels. To inform how the housing emergency should be tackled, the survey was intended to gather the views of local households enabling better understanding of how housing shortage affects their lives, livelihoods and communities. In total, 688 responses were provided by residents and community groups, providing essential evidence to be considered by delegates at the Housing Emergency Summit. Key headlines of this survey can be summarised as follows:

## Is housing shortage having an impact on your community?

92% of respondents suggested that housing shortage was having an impact on their community

This ranged from 65% of respondents in Helensburgh & Lomond to 98% in Mull & Iona

The key impacts of housing shortage include...



**Local businesses cannot recruit employees as they have nowhere to stay (73%)**



**People moving into my community are pricing local people out of the market (70%)**



**Local services (e.g. health services, schools, shops) have a shortage of people to do essential jobs due to a lack of housing (68%)**



**Young people are leaving my community due to a lack of housing options (68%)**

## Top 3 reasons that housing shortage is having a community impact include...

1. Not enough affordable/social homes to rent (80%)
2. Too many holiday homes/short term lets (70%)
3. House prices rising more than local incomes (62%)

Other reasons include...



**Limited housing options for families or working aged people (59%)**



**Local incomes are too low to afford rent or mortgage costs (55%)**



**Not enough new homes being built (46%)**



**Not enough quality private rented sector homes (43%)**



**Not enough homes to buy in the housing market (39%)**

## 92% of respondents thought there was a need for more housing to be developed in their community including...

1. Social housing/Housing Association homes (75%)
2. Housing for sale at low cost (65%)
3. Housing for young people/families (61%)
4. New homes for sale (39%)
5. Quality private rented housing (38%)



**The actions local households would like to see to tackle the housing emergency include:**

- **Building more homes for social rent (66%)**
- **Reducing the number of second homes and short term lets (64%)**
- **Providing more low-cost homes for rent or sale e.g. mid-market rent (62%)**
- **Develop more housing options for essential workers moving into Argyll & Bute (56%)**
- **Ensuring local people have priority for homes on the market not people moving into the area (55%)**

## 2.1 Call to Action: Building a Bold and Progressive Emergency Response

The housing emergency response arising from the Summit should build on the ambitious action plan currently under delivery within the Argyll & Bute Local Housing Strategy, as well as the work underway nationally to tackle housing shortage in rural areas.

National activity includes the recently published Scottish Government Rural and Islands Action Plan. The Plan sets out a range of actions to improve access to high quality affordable and market housing, enabling rural communities to live, work and thrive. The action plan includes:

- the delivery of 11,000 affordable homes in rural communities

- a £30M Rural and Island Housing Fund for community led housing, and £25M rural affordable homes funding for workforce housing
- new local authority powers to apply higher Council Tax rates for second homes, plus the extended use of rural housing burdens and reform to compulsory purchase legislation.

At a local level, the Argyll and Bute Local Housing Strategy outlines the vision and investment priorities for tackling housing need between 2022 and 2027, including:

- the delivery of 1,000 affordable homes over the next 5 years
- workforce housing projects in Tobermory and Bowmore,
- community-led housing models in Colonsay, Ulva, Ulva Ferry and Gigha
- the creation of a Rural Housing Body to enable the use of rural housing burdens
- plans for short term let control zones
- doubling the Council Tax on second homes.

Despite the opportunity and proactive local response, the call for action inspired by the Housing Emergency declaration acknowledges that the Council and partners need to go further to tackle the scale of housing shortage faced by local communities. As a result, the Summit called for partners to take bold and progressive action, inspiring extraordinary responses to an extraordinary challenge.



This means housing emergency responses must be innovative, bold, impactful and capable of achieving partner commitment to delivery

## 2.2 Pre-Summit Housing Emergency Workshops

To ensure that the Summit focused on the collective action partners must take to tackle housing shortage, delegates were invited to attend a programme of pre-Summit workshops focusing on each Housing Emergency theme. The focus of each workshop was to assess the barriers to tackling housing shortage and to generate ideas on potential solutions and interventions to increase supply.

Partners worked together to identify and assess housing emergency responses and interventions, defining a long-list of ideas and options. This options list formed the basis of scrutiny and option appraisal at the Emergency Housing Summit.





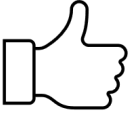
This approach ensured that the Housing Emergency Summit was firmly focused on building a collective response to the housing emergency in Argyll & Bute, not simply debating the issues that have caused it.



### 3 Housing Emergency Summit Programme

The purpose of the Housing Emergency Summit was to bring partners together to forge commitments aimed at tackling housing shortage which maximise resources, pursue innovation, coordinate planning and target delivery. The Summit event was therefore structured around the nature of the emergency response needed, critically appraising solutions to ensure that only the most impactful and deliverable action is prioritised for delivery. The aim of the Summit was to enable partners to pledge commitment to delivering housing emergency actions and to enable the delivery of an action plan aimed at tackling housing shortage.

The programme for Housing Emergency Summit was as follows:

 <p><b>Welcome &amp; Introduction</b> <b>10.00 – 10.30</b> Briefing session Housing Emergency: The evidence, the impact, and the need for action</p>	 <p><b>Partner perspectives on housing shortage</b> <b>10.30 – 11.10</b> Panel session Our emergency response: What needs to happen?</p>	 <p><b>Scoping solutions</b> <b>11.30 – 12.00</b> Interactive audience session Our emergency response: What's on and off the table?</p>	 <p><b>Appraising the emergency response</b> <b>12.00 – 13.00</b> <b>13.30 – 14.30</b> Interactive option appraisal workshops</p>	 <p><b>Partner pledge</b> <b>14.30 – 15.20</b> Commitments to delivery <b>Closing plenary</b> <b>15.20 – 15.30</b></p>
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Appendix B provides a full Housing Emergency Summit presentation materials detailing all plenary sessions.

The Summit commenced with introductions from the Leader of Argyll & Bute Council (Councillor Robin Currie) and from the Council's Head of Development and Planning (Fergus Murray). Opening remarks detailed evidence of housing shortage, its impact on Argyll & Bute's community and economy, and a call to collective action to build bold emergency responses and progressive partnership groups.

Opening remarks were followed by a panel session led by partners from Scottish Futures Trust, the Scottish Building Federation, Highlands and Islands Enterprise and Shelter Scotland, who provided perspectives on the housing emergency and suggestions on the extent and nature of emergency action that should be prioritised.

Summit delegates were then invited to test with whether emerging responses should be 'on the table' or 'off the table' as an initial reaction test to a sample of the options defined in pre-Summit workshops. Informed by this, a programme of interactive session were then facilitated where delegates were asked to systematically assess a long list of options generated to tackle the housing emergency across each of the four Summit themes. Each workshop involved shortlisting the most valuable emergency response options and then carrying out an interactive option appraisal to assess the extent to which each would be impactful and deliverable. Four interactive workshops were hosted simultaneously across two rounds, enabling all delegates to participate in two interactive option appraisals. The outcome of this option appraisal was the creation of a set of housing emergency action lists for each of the four Summit themes.

The final session of the Housing Emergency Summit involved asking partners to pledge commitment to tackling the housing emergency in Argyll & Bute by considering each emergency response action and pledging delivery support where appropriate. During this networking session, partners were urged to review the list of fellow delivery partners and make introductions and connections across fellow 'emergency responders' as the first stage building partnership networks aimed at tackling Argyll & Bute's housing emergency.

### 3.1 The Housing Emergency Response: Scoping Solutions

Following initial plenary sessions, delegates were asked to consider emerging housing emergency responses to determine which should be prioritised for inclusion within a Housing Emergency Action Plan. Using an interactive polling system, delegates were asked whether each emergency response should 'on the table' or 'off the table' in the strategic plan to tackle housing shortage.

The sample of solutions under consideration was generated across each of the four pre-Summit workshops and represented some of the most popular ideas emerging from the debates. The outcome of this initial reaction test was intended to assess the appetite for action across a range of delivery agendas and to gauge the extent of partner consensus on priorities for action.

The outcome of the interactive voting session was as follows:

Proposed Housing Emergency Solution	On the Table	Off the Table
Pursue a more flexible approach to infrastructure, roads and design requirements in rural and island housing developments	98%	2%
Dramatically increase the number of college places for construction skills development in Argyll & Bute	100%	0%
Deliver self-build plots and mortgages	86%	14%
Freedom to use Scottish Government housing funding more flexibly and as an allocation with local administrative control	92%	8%
Create a ring-fenced Infrastructure Fund for housing development	90%	10%
Pursue Council funded housing development of low-cost homes for rent or sale	79%	21%
Support mixed tenure community led housing development through asset transfer and delivery support	77%	23%
Pursue modern methods of construction to boost affordable housing delivery	94%	6%
Deliver more MMR and low-cost homes for sale via the SHIP	91%	9%
Deliver short term workforce housing options including modular, temporary and tiny	73%	27%
Extend the use of rural housing burdens across Housing Market Areas in Argyll & Bute to maintain primary occupancy and or affordability	92%	8%
Pursue Short Term Let control areas	66%	34%
Lobby the Scottish Government to create a private sector duty for large development projects to invest in workforce housing	66%	34%

**Table 3.1: Interactive polling outcomes for Housing Emergency Scoping Solutions session**

A majority of partners suggested that every housing emergency response should be 'on the table', with the top 5 most popular action points identified as follows:

- Dramatically increase the number of college places for construction skills development in Argyll & Bute
- Pursue a more flexible approach to infrastructure, roads and design requirements in rural and island housing developments
- Pursue modern methods of construction to boost affordable housing delivery

- Freedom to use Scottish Government housing funding more flexibly and as an allocation with local administrative control
- Extend the use of rural housing burdens across Housing Market Areas in Argyll & Bute to maintain primary occupancy and or affordability.

Partners were particularly supportive of options which focus on boosting construction industry capacity, protecting homes as 'principal residencies' and enabling more flexibility in the planning and delivery of new build homes.

Housing emergency solutions which were raised by partners but required further discussion to take forward included:

- Pursue Council funded housing development of low-cost homes for rent or sale
- Support mixed tenure community led housing development through asset transfer and delivery support
- Deliver short term workforce housing options including modular, temporary and tiny homes
- Pursue Short Term Let control areas
- Lobby the Scottish Government to create a private sector duty for large development projects to invest in workforce housing.

The final two solutions, focusing on Short-term Let controls and private sector housing contributions, show the greater hesitation of partners in balancing the needs of the housing system in Argyll & Bute with needs of the local economy.

Overall, this polling exercise offered positive evidence of the appetite to pursue bold interventions in tackling housing shortage in Argyll & Bute, and gave a good indication of the extent of partner consensus to drive new delivery partnerships. Following this initial reaction test, partners were then invited to join interactive breakout workshops to prioritise and then systemically appraise the long list of options defined to tackle housing shortage under each of the four housing emergency themes.

## 4 Housing Emergency Responses: Option Appraisal

As the Housing Emergency Summit was focused on a call to action to tackle housing shortage, the main purpose of the event was to bring expert partners together to systematically assess and agree the key activity that should be prioritised as the basis of Argyll & Bute's emergency response. To ensure that Summit discussion focused purely on the need for action, four pre-Summit partner workshops were held to discuss the extent and nature of housing emergency, the barriers to tackling housing shortage, and the ideas and options which should be considered to overcome these barriers. Each workshop was attended by subject matter experts, with the outcome of each, a long-list of ideas and options for tackling the housing emergency.

The Summit option appraisal sessions were designed to shortlist from this bank of options ensuring that a focused and manageable action list was defined which could then be subject to more detailed option appraisal. Using option appraisal techniques, each option was subject to outcome analysis, appraising both the scale of impact which could be achieved and its potential deliverability. The outcome of this appraisal was to define the most deliverable and impactful options in tackling housing shortage. These options were then prioritised as the basis of a partner pledge exercise where delegates, committed to supporting delivery and influencing change, would come together to commit their time, expertise and other resources to the implementation of each.

At the outset of each option appraisal workshop, delegates were asked to review the long list of options generated at pre-Summit workshops, working together to define whether options should be 'in-scope' or 'out of scope'. 'In scope' options would then be plotted on a matrix to assess the extent to which they were most or least deliverable (on the x-axis) and high or low impact (on the y-axis).

Options which were considered to be both high impact **and** most deliverable were elevated for consideration by partners for inclusion within the Housing Emergency Action Plan.

Delegates were given the opportunity to attend at two of the four interactive sessions, with two rounds of activity held across four workshops running simultaneously. The outcomes of each option appraisal session are detailed below.

### 4.1 Workshop 1: Enabling the Delivery of More Market Homes in Argyll & Bute

Partners in Workshop 1 began the session by critically assessing the long-list of options identified to enable the delivery of more market homes in Argyll & Bute. The in-scope/out scope exercise defined a clear shortlist of options with both Group 1 and 2 unanimously agreeing that they should be considered for inclusion within a more detailed option appraisal analysis. In scope options were seen as instrumental in overcoming delivery barriers to increasing speculative building in the area, with the need for more rural-centric planning regulations, infrastructure funding, construction training and Council capacity to progress planning approvals, seen as key interventions in achieving this.

Partnership activity to develop funding and investment models which could manage risk and enable infrastructure delivery, were also seen as essential as were the wider use of rural housing burdens on new build homes.

Full details of the 'in-scope'/'out scope' exercise, including partner rationale for each assessment is set out in Table 4.1 below:

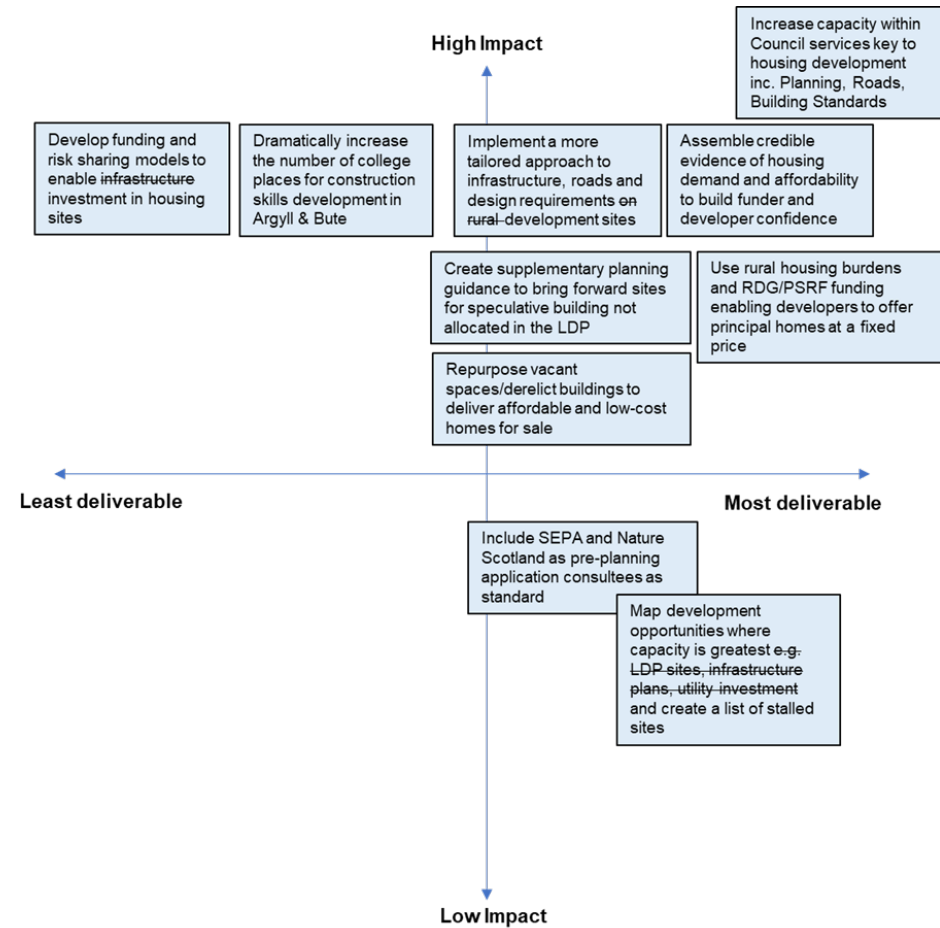
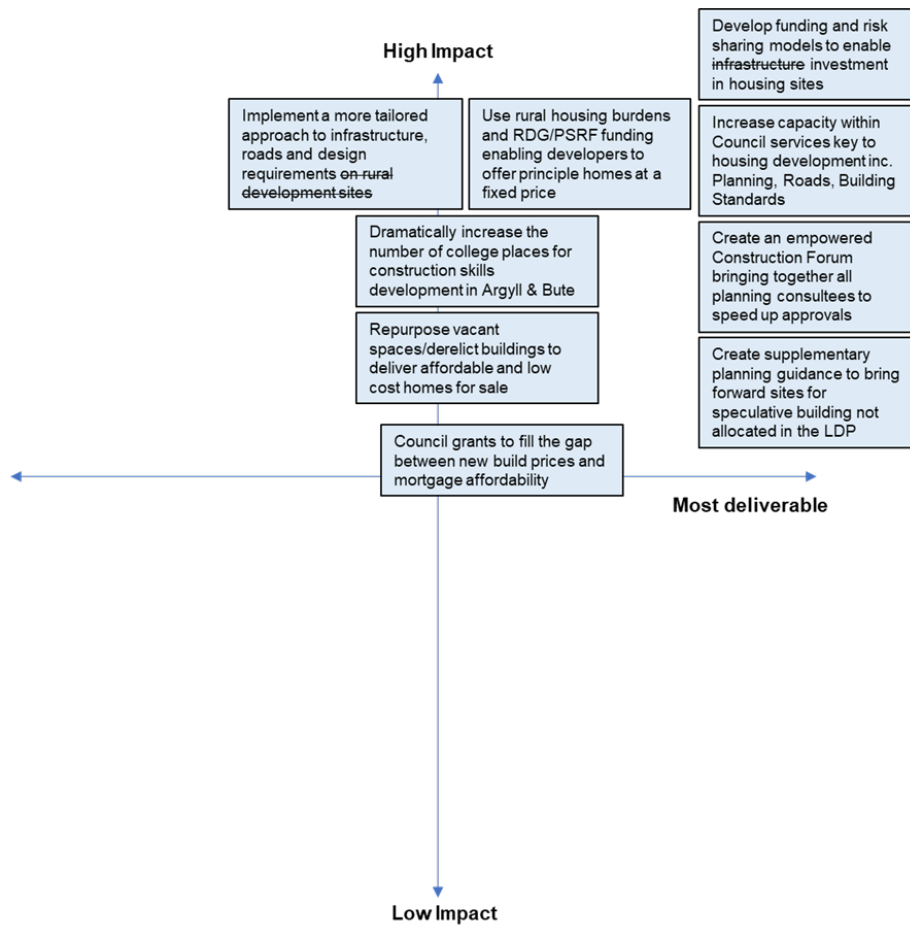
Workshop 1 Option List	In Scope	Out of Scope	Scoring rationale
<del>Pursue</del> Implement a more flexible approach to infrastructure, roads and design requirements on (rural) development sites	IN	IN	Both groups unanimously agreed that this option was a major priority given the planning constraint barriers that are delaying and sometimes precluding development. Wording changed to 'implement' by Group 1 (accepted by Group 2). Also removed reference to 'rural' sites as this could apply to any development in Argyll & Bute
Assemble credible evidence of housing demand and affordability to build funder and developer confidence	OUT	IN	Priority for Group 2 as this was seen as a foundation action which would be essential in enabling developer confidence. Group 1 viewed this as a business as usual activity which could be usefully integrated into the LHS
Increase capacity within Council services key to housing development inc. Planning, Roads, Building Standards	IN	IN	Major priority for both Groups and seen as a major factor in addressing development approval delays - "This is the big problem, solve this and that's half the battle", "There's no continuity, you deal with one officer and then they're unavailable and then you're starting from scratch with someone else", "We need to be creative with the recruitment offer we make - if that needs to include accommodation, then that's what should be offered"
Dramatically increase the number of college places for construction skills development in Argyll & Bute	IN	IN	Seen as having a major impact on enabling more market supply by both groups but not a short term solution to the emergency faced. Nevertheless, this is a crucial action to build sustainability in the local construction industry longer term, and needs to be pursued
Use the CITB Impact Fund to enable industry-led solutions to stimulate development	OUT	OUT	Low level priority for both groups - The scheme is seen as being very challenging to access and unlikely to have the scale of impact needed
Include SEPA and Nature Scotland as pre-planning application consultees as standard	OUT	IN	Priority for Group 2. Group 1 would simply add SEPA and Nature Scot into the statutory consultees who will collaborate in the proposed Construction Forum
Implement a Rural & Island Housing Standard including specific infrastructure, roads and design standards	OUT	OUT	Popular in both Groups (this is perceived as a major barrier to market development) but seen as duplication of first option on implementing a more flexible approach to development requirements
Create an empowered Construction Forum bringing together all planning consultees to speed up approvals	IN	OUT	Group 1 viewed this option at having much potential in "creating a culture which is 'will do' towards development and crucial in forging relationships that will speed up the development approval process. Seen by Group 2 as 'yet another planning group?'

Create a list of stalled developed sites for consideration by a Housing Delivery Task Force	OUT	OUT	Group 1 viewed this option as 'business as usual' ("is this not precisely what the housing land process should be doing?"). Group 2 saw this option as useful foundation activity to drive better collaboration in seeking development approvals and merged both options
Map development opportunities where capacity is greatest e.g. LDP sites, infrastructure plans, utility investment and create a list of stalled development sites	OUT	IN	
Develop funding and risk sharing models to enable infrastructure investment in housing sites	IN	IN	Seen by both Groups as having major potential in unlocking development constraints, with SFT and Scottish Government support to blend funding sources and create partnership development agreements seen as crucial
Repurpose vacant spaces/derelict buildings to deliver affordable and low cost homes for sale	IN	IN	Both Groups unanimously agreed this option should be in scope as it has the potential to deliver a stronger impact than new build development. This is in relation to cost, unit numbers and environmental impact.
Compel utility companies to complete Island Community Impact Assessments on infrastructure plans	OUT	OUT	Perceived as useful but unlikely to have major short-term impact on the scale of emergency faced. Group 1 suggested that the inclusion of utility companies within a collaborative construction forum could encourage a shift to this practice
Use rural housing burdens and RDG/PSRF funding enabling developers to offer principal homes at a fixed price	IN	IN	Seen as a useful mechanisms by both groups in de-risking speculative development and also ensuring new build units are retained as principal homes
Create supplementary planning guidance to bring forward sites for speculative building not allocated in the LDP	IN	IN	In-scope for both Groups with high levels of support from market developers. Given the development cycle associated with LDP timescales, this option would enable identified sites to be released for speculative development
Deliver self-build plots and mortgages	OUT	OUT	Seen by both groups as useful but with a limited impact on the housing emergency response in the short term
Council grants to fill the gap between new build prices and mortgage affordability	IN	OUT	Group 1 viewed this option as in-scope and as a useful approach in building developer confidence and enabling the delivery of principle homes. Group 2 however questioned its value - "if the problem we're facing is a lack of speculative development, then how will

			offering mortgage support help? People don't need a mortgage on homes that aren't being built in the first place"
Council under-writing or pre-purchase of private speculative market housing in remote rural areas	IN	OUT	Group 1 viewed this option as in-scope and as a useful approach in building developer confidence and enabling the delivery of principal homes. Again, Group 2 questioned its value as a catalyst for more speculative development

**Table 4.1: Workshop 1 'In Scope'/'Out Scope' options for Enabling the Delivery of More Market Homes in Argyll & Bute**

Each Group then used 'in-scope' options to assess the extent to which suggested actions were both impactful and deliverable. The outcomes of this impact exercise is detailed below:





Using the outcomes of the option appraisal session, and focusing on actions screened as having the potential to be both impactful and deliverable, a list of actions was developed as the basis of developing the Housing Emergency Action Plan to 'enable the delivery of more market homes' as follows:

1. Implement a more flexible approach to infrastructure, roads and design requirements on development sites
2. Increase capacity within Council services key to housing development inc. Planning, Roads, Building Standards
3. Dramatically increase the number of college places for construction skills development in Argyll & Bute
4. Develop funding and risk sharing models to enable infrastructure investment in housing sites
5. Repurpose vacant spaces/derelict buildings to deliver homes for sale or rent
6. Use rural housing burdens and RDG/PSRF funding enabling developers to offer principal homes at a fixed price
7. Create supplementary planning guidance to bring forward sites for speculative building not allocated in the LDP
8. Create an empowered Construction Forum bringing together all planning consultees to speed up decision making.

## **4.2 Workshop 2: Enabling the Delivery of More Affordable Homes in Argyll & Bute**

Partners in Workshop 2 began the session by critically assessing the long-list of options identified to enable the delivery of more affordable homes in Argyll & Bute. The in-scope/out scope exercise defined a clear shortlist of options with both Group 1 and 2 unanimously agreeing that they should be considered for inclusion within a more detailed option appraisal analysis.

In scope options were seen as instrumental in overcoming delivery barriers to Strategic Housing Investment Plan delivery, including improving infrastructure planning, planning policy and master-planning development and more flexibility in funding management. Enabling the delivery of more community led housing and intermediate housing projects were also identified as important delivery activities.

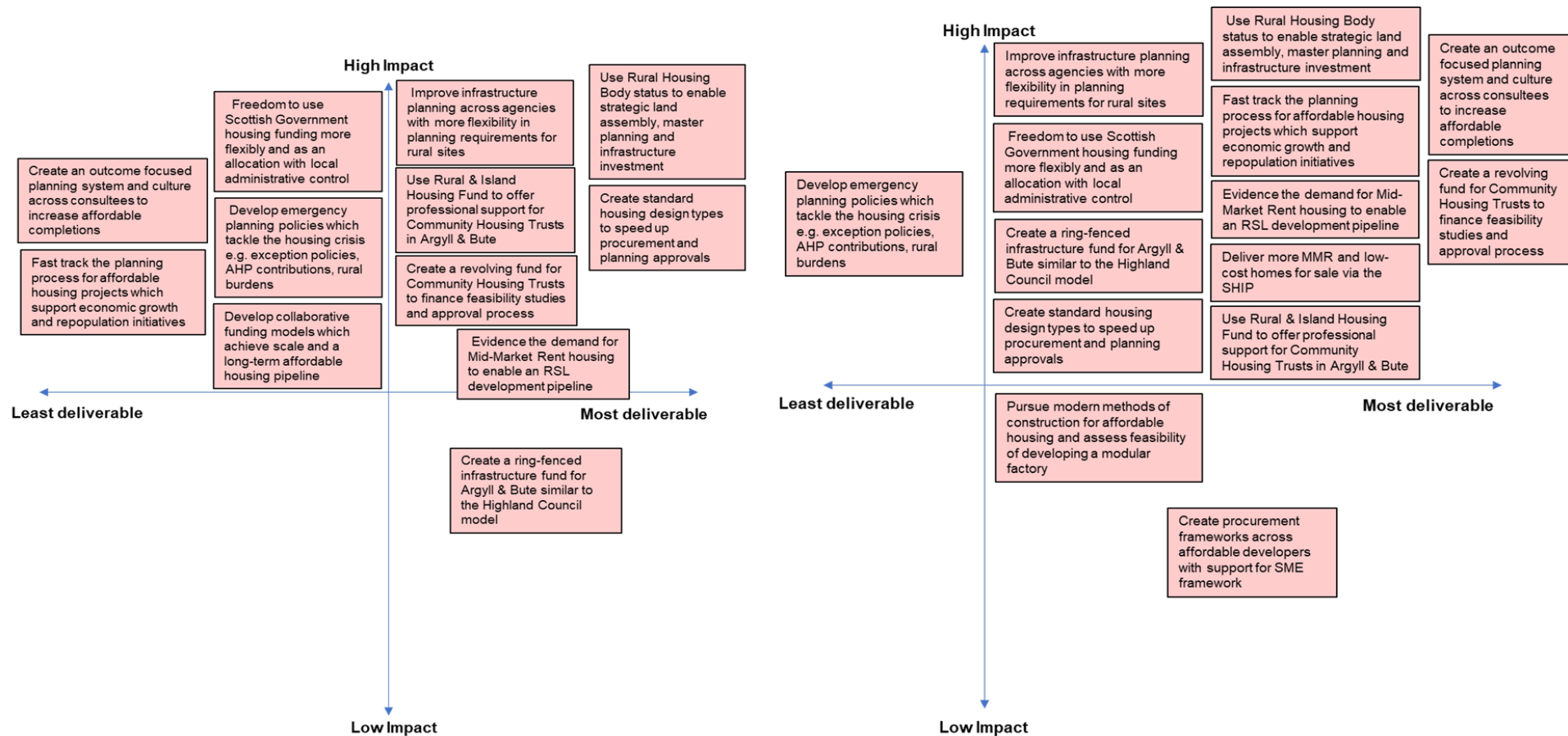
Full details of the 'in-scope'/'out scope' exercise, including partner rationale for each assessment are set out in Table 4.2 below:

Workshop 2 Option List	In Scope	Out of Scope	Scoring rationale
Develop collaborative funding models which achieve scale and a long-term affordable housing pipeline	IN	OUT	Group 1 agreed that there was a need to test further innovative funding mechanisms to enable more affordable homes to be built but scored it as least deliverable as part of the matrix. Partners in Group 2 did not include this within scope as it was suggested that the issue was more to do with land assembly and testing this option would not produce fast results.
Create standard housing design types to speed up procurement and planning approvals	IN	IN	Consensus in both Group 1 and 2 that the development of standard housing types could help deliver change and speed up procurement and planning processes. It could fast-track design stages and is proven to work in the private sector so therefore is deliverable.
Create procurement frameworks across affordable developers with support for SME engagement	OUT	OUT	Group 1 felt that procurement frameworks were already in place and barriers were as a result of contractors choosing to tender for more profitable sites (in the central belt). Group 2 agreed that it would be difficult to change legislation and barriers were more about contractor appetite.
Create a ring fenced infrastructure fund for Argyll & Bute similar to the Highland Council model	IN	IN	Both Group 1 and 2 agreed this would provide more flexibility and target resources. However, it was noted that the Ring Fenced Budget was not always successfully implemented in Highland Council. It was also highlighted in Group 2 that the Scottish Housing Fund could be applied more flexibly.
Improve infrastructure planning across agencies with more flexibility in planning requirements for rural sites	IN	IN	Both Group 1 and 2 noted that one of the greatest obstacles was lead in times for infrastructure and agreed a more collaborative approach across agencies could significantly improve timescales.
Pursue modern methods of construction for affordable housing and assess feasibility of developing a modular factory	IN	OUT	Majority of partners in Group 1 felt that modern methods were being piloted with lessons still to be learned, therefore there is a degree of risk with this activity. Group 2 stated that there would be difficulties in the short to medium term to find a site and base a factory in Argyll & Bute. There were mixed views in Group 2, particularly from the Modular Construction Sector asserting that this action could have a significant impact on delivery.
Create an outcome focused planning system and culture across consultees to increase affordable completions	IN	IN	Both Group 1 and 2 were in favour of a more collaborative outcome focused approach to avoid silo working and speed up processes. Group 1 thought that this would take longer to deliver while Group 2 ranked this as both high impact and most deliverable.
Freedom to use Scottish Government housing funding more flexibly and as an allocation with local administrative control	IN	IN	Both Group 1 and 2 agreed that more freedom to use SG housing fund could target resources more to a local and community level but acknowledged it would require legislative change which could be time consuming and less deliverable.

Fast track the planning process for affordable housing projects which support economic growth and repopulation initiatives	IN	IN	Both Group 1 and 2 agreed that in theory this could assist with delivery of more homes with Group 1 suggesting it would be less deliverable than Group 2. Group 1 highlighted that this activity could impact on the delivery of more market homes which were also important
Use Rural Housing Body status to enable land assembly, master planning and infrastructure investment	IN	IN	Partners in Group 1 and 2 agreed that as Rural Housing Body status has now been confirmed by the Scottish Government, that this option should be taken forward as a key priority to assist with land assembly.
Develop emergency planning policies which tackle the housing crisis e.g. exception policies, AHP contributions, rural burdens	IN	IN	Both Groups 1 and 2 agreed that there is a need to review all planning policies in the context of the Housing Emergency declaration in Argyll & Bute to ensure they are targeted at the delivery of more affordable homes and that gaps are identified and addressed.
Create a revolving fund for Community Housing Trusts to finance feasibility studies and approval process	IN	IN	Partners in Group 1 and 2 who had been involved in Community-led Housing Models agreed that a revolving fund could assist with scaling up the development of affordable housing by Community Development Trusts
Use Rural & Island Housing Fund to offer professional support for Community Housing Trusts	IN	IN	Partners in Group 1 and 2 who have been involved in community-led development agreed that funding for professional support could have a significant impact. However, both Groups felt that the options for revolving funding and professional support should be one activity.
Support mixed tenure community led housing development through asset transfer and delivery support	OUT	OUT	Group 1 felt that the was already being delivered and Group 2 did not choose this to be in scope.
Deliver more MMR and low-cost homes for sale via the SHIP	IN	IN	Agreed that this option was required, but that a requirement to evidence the demand for MMR as an initial action is essential.
Evidence the demand for Mid-Market Rent housing to enable an RSL development pipeline	IN	IN	There was agreement that there was a need for more detailed analysis of the demand for MMR to help inform future provision across Argyll & Bute. Both Group 1 & 2 agreed that both options should be one activity with delivery building on a better understanding demand.
Develop a Joint Venture model for Council Building for Rent and Sale (CBRS) in partnership with market developers	OUT	OUT	Neither Group 1 or 2 put this option in scope as partners considered it would take too long to implement due to legal uncertainty and furthermore would be unlikely to work in Argyll & Bute

**Table 4.2: Workshop 2 'In Scope'/'Out Scope' options for Enabling the Delivery of More Affordable Homes in Argyll & Bute**

Each Group then used 'in-scope' options to assess the extent to which suggested actions were both impactful and deliverable. The outcomes of this impact exercise is detailed below:



Using the outcomes of the option appraisal session, and focusing on actions screened as having the potential to be both impactful and deliverable, a list of actions was developed as the basis of developing the Housing Emergency Action Plan to 'enable the delivery of more affordable homes' as follows:

- 1 Create standard housing design types to speed up procurement and planning approvals
- 2 Create a ring fenced infrastructure fund for Argyll & Bute similar to the Highland Council model
- 3 Improve infrastructure planning across agencies
- 4 Freedom to use Scottish Government housing funding more flexibly and as an allocation with local administrative control
- 5 Fast track the planning process for affordable housing projects which support economic growth and repopulation initiatives
- 6 Use Rural Housing Body status to enable land assembly, master planning and infrastructure investment
- 7 Develop emergency planning policies which tackle the housing crisis e.g. exception policies, AHP contributions, rural burdens
- 8 Create a revolving fund for Community Housing Trusts to finance feasibility studies and approval process
- 9 Use Rural & Island Housing Fund to offer professional support for Community Housing Trusts
- 10 Evidence the demand for Mid-Market Rent housing to enable an RSL development pipeline.

### **4.3 Workshop 3: Enabling the Delivery of More Homes for Argyll & Bute's Workforce**

Partners in Workshop 3 began the session by critically assessing the long-list of options identified to enable the delivery of more workforce housing in Argyll & Bute. The in-scope/out scope exercise defined a clear shortlist of options with both Group 1 and 2 unanimously agreeing that they should be considered for inclusion within a more detailed option appraisal analysis.

These options were seen as instrumental in overcoming delivery barriers to enabling the supply of workforce housing including building evidence of housing need across employment sectors, improving strategic planning, and supporting the delivery of short term, temporary and seasonal workforce housing options. Creating opportunities for workforce housing via building reuse and Mid-Market Rent delivery models were also identified as important delivery activities.

Full details of the 'in-scope'/'out scope' exercise, including partner rationale for each assessment are set out in Table 4.3 below:

Workshop 3 Option List	In Scope	Out of Scope	Scoring rationale
Work with LAR Housing Trust to increase the delivery of workforce housing in Argyll & Bute	IN	OUT	Group 1 were keen to explore using the LAR model but noted this can also be delivered by other agencies and providers
Assess potential of student accommodation model and nomination agreements to deliver workforce housing	OUT	IN	Group 2 noted this type of model is not suitable for relocating families. Both Groups noted they would like to see the delivery of more tied housing that is linked to employment although that can create complexities when people change employer.
Deliver seasonal and temporary workforce accommodation using short term occupancy agreements	IN	IN	Both Groups felt this could free up permanent housing for full time residents. There is currently no legal basis for Short Term Occupancy agreements in Scotland so this would need a different mechanism. Pursuing this option would show there is demand for this type of housing.
Develop a strategic approach to evidencing the need for workforce housing in the public sector	IN	IN	Group 1 emphasised the need to understand where the data gaps are, why this insight is needed and who would use it, but acknowledged it does underpin all the other actions. Lots of information is already available but perhaps not widely shared. Group 2 stressed the need for Argyll & Bute specific evidence as this would help with funding bids. It was suggested this activity is more about about continuing with the evidence gathering that already exists rather than developing new data.
Develop an HMO partnership model which enables employers to invest in workforce housing units	OUT	OUT	Both Groups agreed that this is not a long term sustainable housing solution or a desirable option for working age households.
Match empty home owners to essential workers and provide interim rent payments during improvement period	OUT	IN	Group 1 suggested that this option would essentially reward owners who fail to invest and maintain their homes. There are better uses for public sector funding
Deliver emergency workforce housing options including the use of modular, temporary and tiny homes	IN	IN	Group 1 were keen to remove the reference to temporary housing. Both Groups were supportive of using the Glasgow Commonwealth Games approach where housing legacy was created from temporary homes. This option requires fast track planning to work and there would be a need to house construction workers first who can then build the rest.

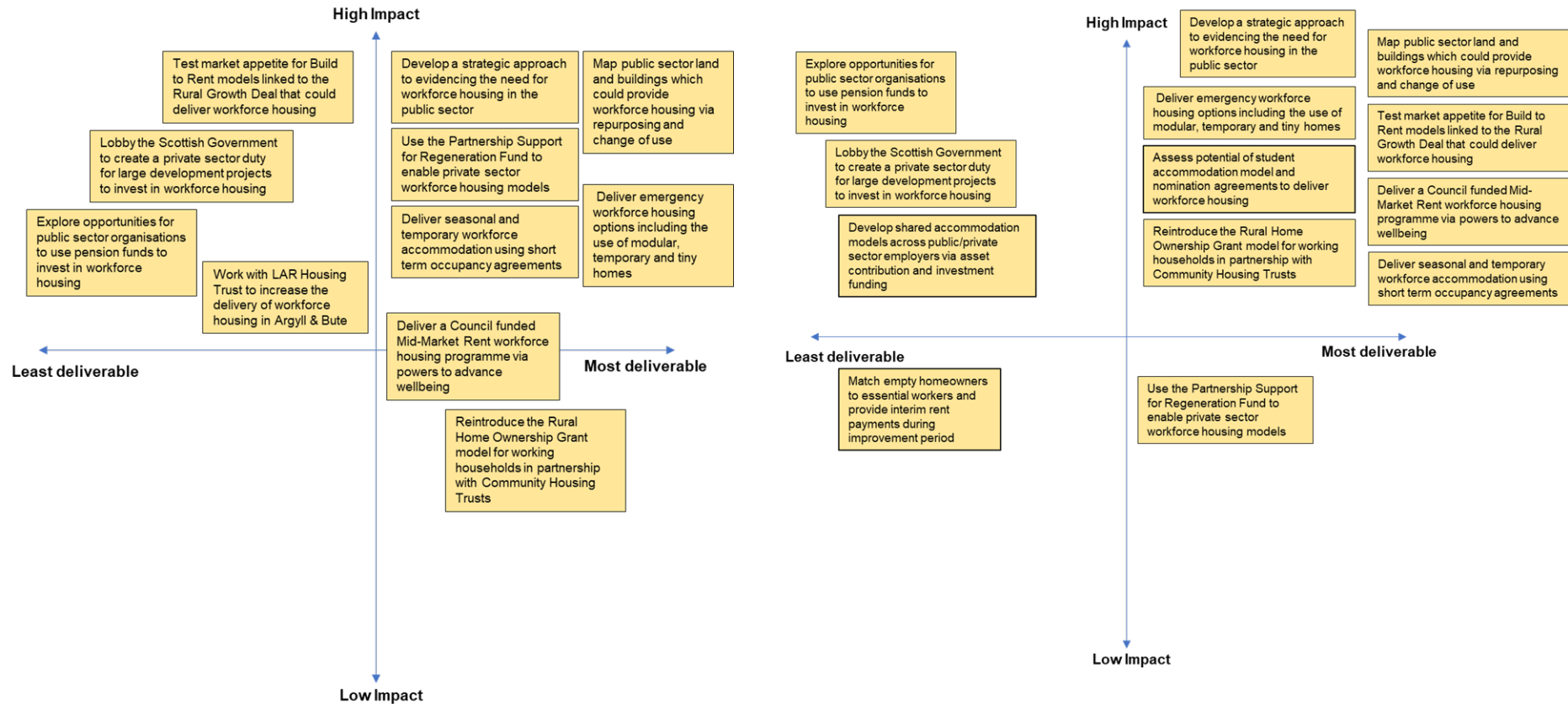
Deliver a Council funded Mid-Market Rent workforce housing programme via powers to advance wellbeing	IN	IN	Group 1 noted this option should not just focus on Council funded development but use wider partners. It was noted however that reduced subsidy levels could be detrimental to this. Group 2 suggested that the demand for MMR is linked to market failure. We need to understand and demonstrate clearly where there is demand. The LAR approach could be considered as a delivery model.
Explore opportunities for public sector organisations to use pension funds to invest in workforce housing	IN	OUT	Group 1 noted that public and private sector organisations should be considered for the use of pension funds. Group 2 observed that this option would be rating reliant. It was suggested that funding is not the biggest barrier to delivery and that there are other funding mechanisms available to support the delivery of workforce housing.
Create a rural resettlement fund to enable households to relocate to Argyll & Bute	OUT	OUT	Partners in Group 1 reported that this option had been tried and tested before and didn't deliver the outcomes needed, in fact "it needs to be off the board completely". Group 2 partners also referred to a previous model which was considered too restrictive – "it wasn't inter regional so didn't support those wishing to move within Argyll & Bute". Those moving to the area needed to have a job offer before accessing support.
Map public sector land and buildings which could provide workforce housing via repurposing and change of use	IN	IN	Partners suggested this option should consider not just public sector land and buildings but private sector too and that it needs to be part of a wider master planning approach. Land mapping is in progress in Argyll & Bute but needs completion. It should be noted that there are positive climate change implications but that landfill costs/disposals may be a barrier especially on islands.
Use the Partnership Support for Regeneration Fund to enable private sector workforce housing models	IN	IN	This mechanism currently exists but needs better promotion. Group 2 suggested that there is a need for a better understanding of the capabilities and potential scale that could be delivered from this funding scheme. It was noted that there is an example in the south of Skye recently that would be worth reviewing but that it was likely that limited funds would be available and sole use for workforce housing may be a barrier.
Reintroduce the Rural Home Ownership Grant model for working households in partnership with Community Housing Trusts	IN	IN	Whilst supportive, Group 1 noted that this option would need to deliver a redesigned scheme as previous versions were an 'administrative nightmare' and too restrictive. There is a potential to pilot this model in Tiree and work with Crofting Commission. Group 2 asserted that a just reintroduction of RHOG was needed and could combine with local housing burdens to safeguard affordable homes for working age households.
Develop shared accommodation models across public/private sector employers via asset contribution and investment funding	OUT	IN	Group 2 were supportive of this option noting it could maximise existing funding if partners could blend from different sources.

Lobby the Scottish Government to create a private sector duty for large development projects to invest in workforce housing	IN	IN	Whilst both Groups were supportive, Group 2 noted this option could stifle investment. It should also be noted that employers are already interested in helping to solve the problem so they can secure the workforce they need. Perhaps this option is more about community benefit clauses attached to planning rather than a duty?
Develop a social enterprise company focused on developing and maintaining workforce housing	OUT	OUT	Partners suggested that the last thing needed is another group to be set up and governed. RSLs already have powers to do this.
Test market appetite for Build to Rent models linked to the Rural Growth Deal that could deliver workforce housing	IN	IN	Whilst both Groups were supportive of this option, it was noted that this activity was already progressing in Argyll & Bute
Unblock the ready to go sites stopped as a result of infrastructure constraints	IN	N/A	This option was added as new workforce housing solution in the Group 1 workshop

**Table 4.3: Workshop 3 ‘In Scope’/‘Out Scope’ options for Enabling the Delivery of More Homes for Argyll & Bute’s Workforce**

Each Group then used ‘in-scope’ options to assess whether suggested actions were both impactful and deliverable. The outcomes of this impact exercise is detailed below:





Using the outcomes of the option appraisal session, and focusing on actions screened as having the potential to be both impactful and deliverable, a list of actions was developed as the basis of developing the Housing Emergency Action Plan to 'enable the delivery of more homes for Argyll & Bute's workforce' as follows:

- 1 Deliver seasonal and temporary workforce accommodation using short term occupancy agreements (SFT focus)
- 2 Develop a strategic approach to evidencing the need for workforce housing in the public sector
- 3 Deliver emergency workforce housing options including the use of modular, temporary and tiny homes
- 4 Deliver a Council funded Mid-Market Rent workforce housing programme via powers to advance wellbeing
- 5 Map Identify public sector land and buildings which could provide workforce housing via repurposing and change of use
- 6 Use the Partnership Support for Regeneration Fund to enable private sector workforce housing models
- 7 Reintroduce the Rural Home Ownership Grant model for working households in partnership with Community Housing Trusts.

#### **4.4 Workshop 4: Making the Best Use of Existing Homes in Argyll & Bute**

Partners in Workshop 4 began the session by critically assessing the long-list of options identified to enable better use of existing homes in Argyll & Bute. The in-scope/out scope exercise defined a clear shortlist of options with both Group 1 and 2 unanimously agreeing that they should be considered for inclusion within a more detailed option appraisal analysis. In scope options were seen as instrumental in making the best use of existing homes in Argyll & Bute through enabling building reuse and refurbishment, plus improving housing options through allocation policy development and specialist housing models. Reducing the number of ineffective homes in Argyll & Bute and creating opportunities to maximise the number of existing dwellings for use as a primary occupancy was also seen as central to maximising the impact of existing homes in the area.

Full details of the 'in-scope'/'out scope' exercise, including partner rationale for each assessment are set out in Table 4.4 below:

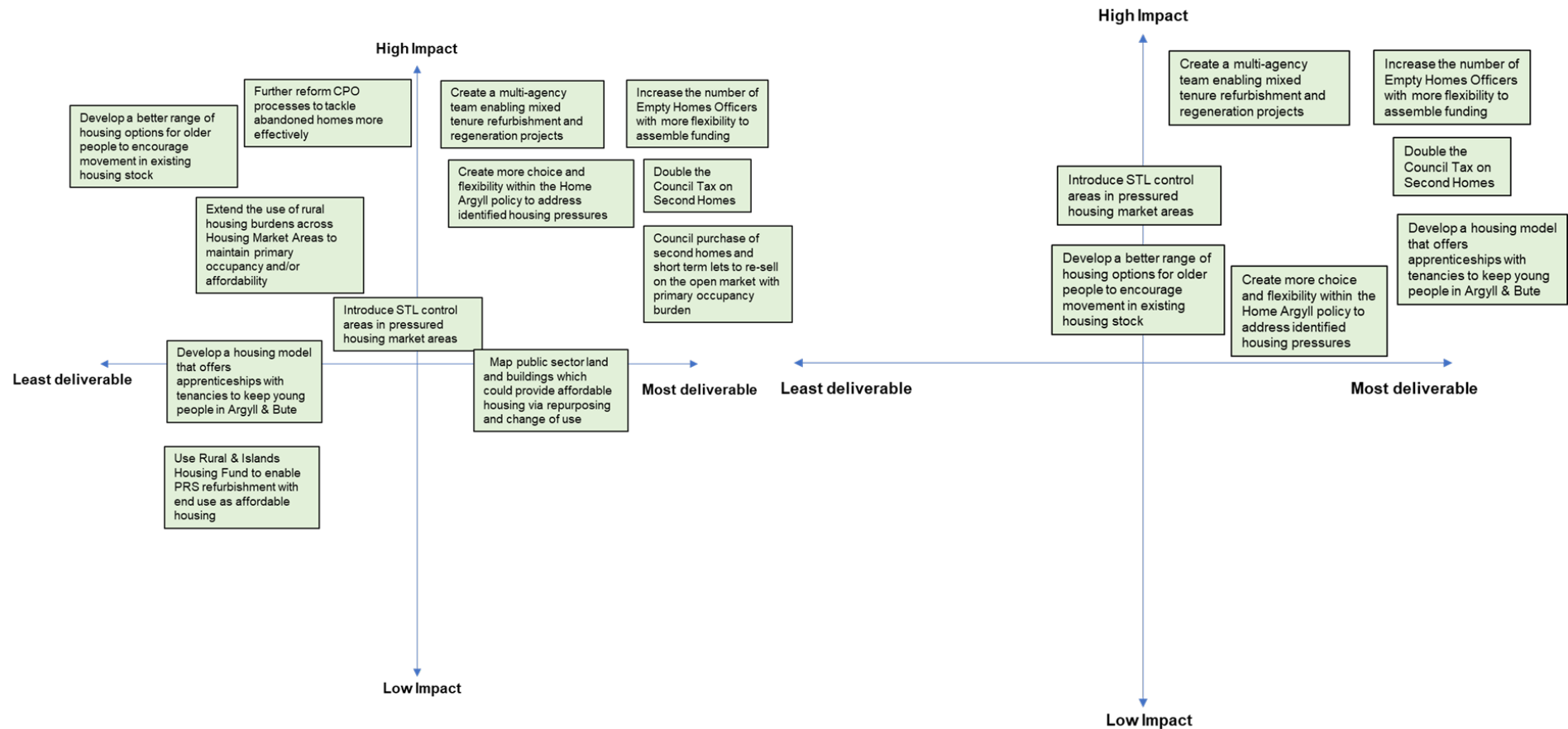
Workshop 4 Option List	In Scope	Out of Scope	Scoring rationale
Further reform CPO processes to tackle abandoned homes more effectively	IN	IN	Both Group 1 and 2 unanimously agreed the CPO process is long, laborious and urgently needs to be reviewed. This is also the case for Compulsory Sales Orders too.
Create a multi-agency team enabling mixed tenure refurbishment and regeneration projects	IN	IN	Partners agreed that this option needs more than just a single multi agency team - it needs collaboration across all partners, owners and geographies. The right partners must be in the room contributing to investment decisions, including a multi-agency approach to net zero compliance issues
Reduce disabled grant title conditions from 10 to 5 years to improve take up of adaptations	OUT	OUT	Option not perceived to assist with the housing emergency by either Group 1 or 2
Use Rural & Islands Housing Fund to enable PRS refurbishment with end use as affordable housing	IN	IN	Whilst some partners questioned providing funding to private landlords ('it should be their responsibility to carry out the work required'), the counter-argument suggests that we need to retain and support private landlords. The struggle to achieve national standards in older properties is forcing landlords leave the sector. Partners agreed for the need to lobby government to review the taxation framework for the PRS, as well as property standards.
Reintroduce an equity loans scheme to enable property improvements in private sector homes	OUT	OUT	The general view in both Groups was that most households are vary about considering equity loans particularly in such an unstable economic period and that this option would not be effective
Adapt void or long term empty RSL stock to meet accessibility standards	OUT	OUT	Partners noted that there are not many long term void properties and that property buy backs may work better rather than converting hard to let homes. Furthermore, not all empty properties may be suitable for adaptations or extensions e.g. flats.
Develop a housing model that offers apprenticeships with tenancies to keep young people in Argyll & Bute	IN	IN	This option was positively received by both Group 1 and 2. Partners agreed that more flexibility is needed in the allocations policy to do this but that this could be put in place quickly. It was noted that partnership working between social landlords and further education institutions would be instrumental in making this option a success
Create more choice and flexibility within the Home Argyll policy to address identified housing pressures	IN	IN	This option is already in progress (e.g. allowing single applicants to be offered 2 bed properties). Having said that, partners suggested further flexibility would allow other actions to be introduced i.e. the apprenticeship/home scheme

Increase the number of Empty Homes Officers with more flexibility to assemble funding	IN	IN	This option was assessed as in scope for both Group 1 and 2. The work of the empty homes team is recognised as making a significant impact in bringing properties back into use in Argyll & Bute and the more resources involved the better. This option is already underway by Argyll & Bute Council
Develop a better range of housing options for older people to encourage movement in existing housing stock	IN	IN	Despite a discussion around housing for older people in Oban which is difficult to let, partners acknowledged that this option could be successful if demand is evidenced. Both Group 1 and 2 were keen to progress this option, not just focusing on sheltered or amenity housing but also other adapted properties. It was also acknowledged that further discussion is needed around incentive to move schemes for current tenants who are under occupying their tenancy to allow them to move on and free up family accommodation
Introduce STL control areas in pressured housing market areas	IN	IN	This option was assessed as in scope for both Group 1 and 2 although both groups were clear that a completely evidenced based approach to restrictions would be necessary. It was acknowledged that this analysis is underway with data is being gathered to determine which areas should be considered as future control zones.
Double the Council Tax on Second Homes	IN	IN	Partners noted that this option will be implemented from April 2024, but questions remain over how will this impact on the housing system and whether further increases can be considered
Develop a coordinated advice, finance and support model to encourage PRS landlords to enter and remain in the sector	OUT	OUT	This option was assessed as out of scope for both Group 1 and 2. Partners noted that this options does not represent the real problem facing the PRS which is driven by the taxation framework for landlords and the condition and energy standards imposed on the sector by the Scottish Government. Landlords are struggling to achieve property standards given the current economics of the PRS.
Council purchase of second homes and short term lets to re-sell on the open market with primary occupancy burden	IN	IN	Whilst partners were very supportive of this option, it was noted that it is already being delivered to a degree with RSL's buying back homes through open market purchases to achieve a majority share in common dwellings.
Enable second homeowners to offer seasonal or temporary accommodation options to essential workers	OUT	IN	Questions were raised by Group 1 over how this option would work including the needs for licenses, policies and leasing agreements. Group 2 were more supportive of this idea but question how could this could be achieved given that short assured tenancies have been replaced by private residential tenancies.

Map public sector land and buildings which could provide affordable housing via repurposing and change of use	IN	IN	Group 2 suggested adding 'private' as well as public to enhance the potential impact of this option.
Extend the use of rural housing burdens across Housing Market Areas to maintain primary occupancy and/or affordability	IN	IN	Both Group 1 and 2 were supportive of this option and achievement of rural housing body status for Argyll & Bute Council should make the deliverability of this option high.

**Table 4.: Workshop 3 'In Scope'/'Out Scope' options for Enabling the Delivery of More Homes for Argyll & Bute's Workforce**

Each workshop Group then used 'in-scope' options to assess whether suggested actions were both impactful and deliverable. The outcomes of this impact exercise is detailed below:



Using the outcomes of the option appraisal session, and focusing on actions screened as having the potential to be both impactful and deliverable, a list of actions was developed as the basis of developing the Housing Emergency Action Plan to 'make the best use of existing homes in Argyll & Bute' as follows:

- 1 Further reform CPO processes to tackle abandoned homes more effectively
- 2 Create a multi-agency teams enabling mixed tenure refurbishment and regeneration projects
- 3 Develop a housing model that offers apprenticeships with tenancies to keep young people in Argyll & Bute
- 4 Create more choice and flexibility within the Home Argyll policy to address identified housing pressures
- 5 Increase the number of Empty Homes Officers with more flexibility to assemble funding
- 6 Develop a better range of housing options for older people to encourage movement in existing housing stock
- 7 Map public sector land and buildings which could provide affordable housing via repurposing and change of use
- 8 Introduce STL control areas in pressured housing market areas
- 9 Double the Council Tax on Second Homes
- 10 Council purchase of second homes and short term lets to re-sell on the open market with primary occupancy burden.

## 5 Housing Emergency Partner Pledges

As the Housing Emergency Summit was intended as a partnership call to action, the most important aspect of the event focused on a partner pledge activity. Following the appraisal and priority assessment of options, delegates were invited to review the shortlist of housing emergency actions and to commit their planning and delivery support to those they were most keen to see implemented.

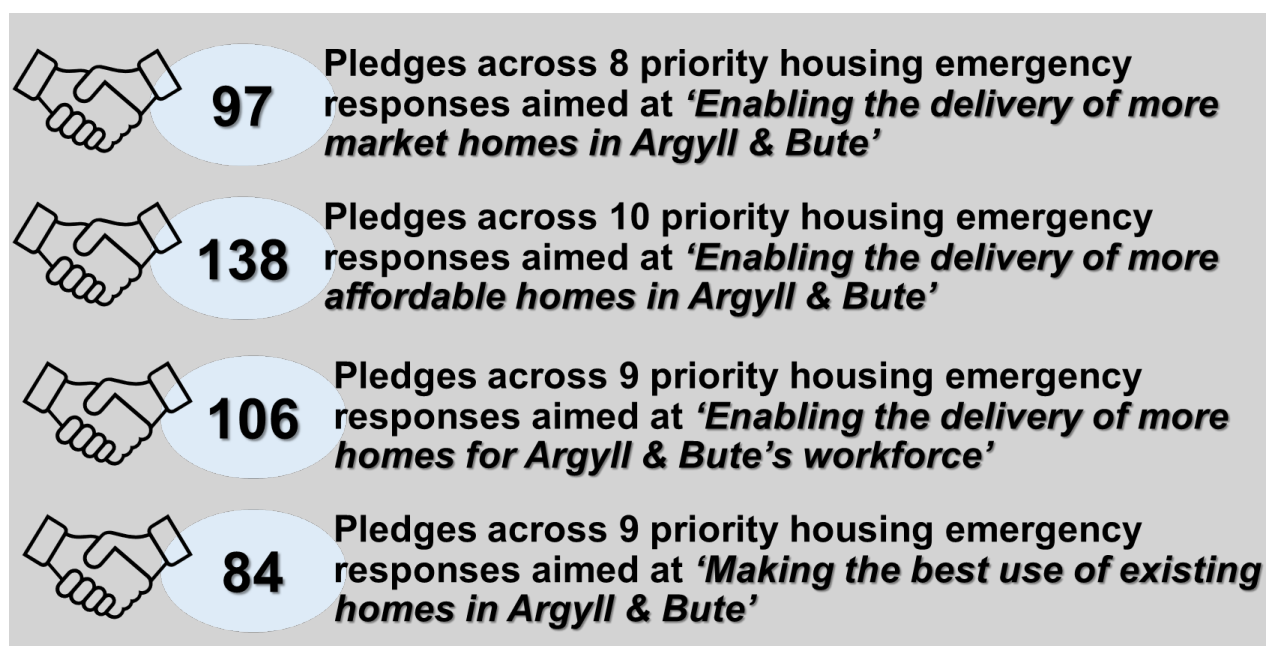
The shortlists of housing emergency actions were presented on exhibition boards for delegate review. Partners were invited to review each shortlist and to place a partner pledge sticker against the actions they were most committed to delivering.

Partners were also encouraged to network during this interactive session, identifying fellow delivery partners who could form new partnership groups working on specific programmes as part of the wider Housing Emergency Action Plan.

The outcomes of this session are detailed in Appendix C which sets out partner pledges against each housing emergency action.

Undoubtedly this exercise proved to be successful in building strong partnership networks focused on the collection action needed to tackle the housing emergency in Argyll & Bute.

**In total, 425 partnership pledges were received across four Housing Emergency themes including:**



These partnership pledges will inform the delivery of a Housing Emergency Action Plan which details the activity, timescales, committed resources and partnership networks associated with each action.



## 6 Housing Emergency Summit Outcomes & Next Steps

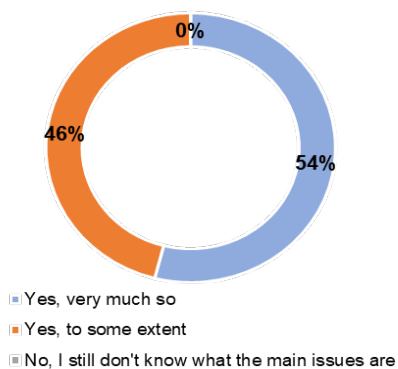
The Argyll & Bute Housing Emergency Summit was the first event of its kind in Scotland. It was designed to bring partners together as a response to the Council’s call to action to tackle housing shortage. The Summit acknowledged the scale and impact of the housing emergency on Argyll & Bute’s communities and economy and encouraged partners to commit to collective action across a diverse partnership of house builders, landlords, funders, business leaders and public sector bodies.

To that end, partnership delivery planning prioritised the implementation of 39 housing emergency actions aimed at tackling housing shortage.

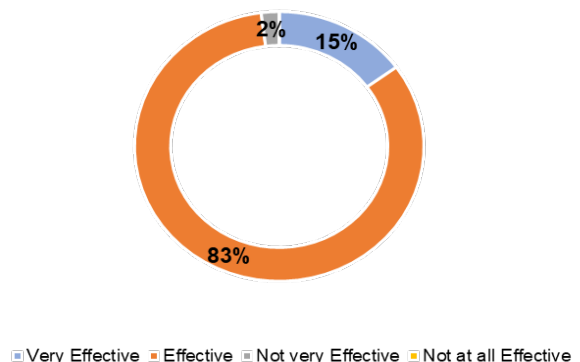
Furthermore, over 400 partnership pledges were made by delegates committed to taking the bold and progressive action needed to address the housing emergency.

At the close of the Summit, partners were invited to share their views of the extent to which the event created a positive start to the process of collectively tackling the housing emergency in Argyll & Bute. Using an interactive polling tool, partners were invited to evaluate the outcomes achieved and offer their expectations for the future. The outcomes of this evaluation exercise is detailed below:

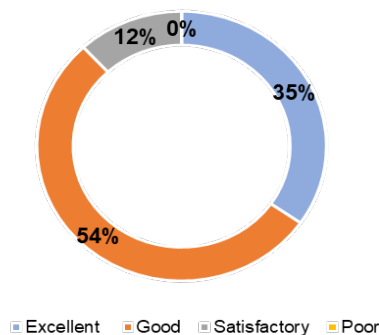
**Has today’s event improved your understanding of the Housing Emergency response that partners need to take?**



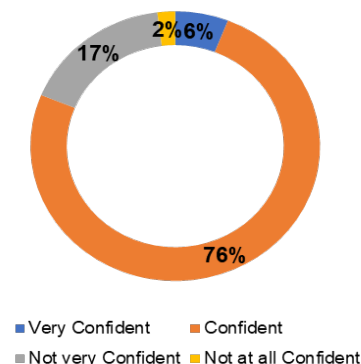
**How effective has today’s event been in scoping solutions and forging commitments to tackling housing shortage?**



**How would you rate today’s event in encouraging the development of partnerships to tackle housing shortage?**



**Based on today’s Summit, how confident are you that Housing Emergency solutions can tackle housing shortage ?**



These evaluation outcomes suggest that the Summit was successful in coordinating the collective and bold action needed to tackle housing shortage, as follows:

- 100% of Summit delegates leaving with an improved understanding of the housing emergency response needed to tackle housing shortage
- 97% of Summit delegates satisfied that the Summit has been successful in scoping solutions and forging partnerships
- 88% Summit delegates rating new partnership development opportunities as 'excellent' or 'good'
- 93% of Summit delegate showing some confidence that the emergency responses identified can tackle housing shortage.

The outcomes of the Housing Emergency Summit will be used to develop an Action Plan as the basis of ongoing planning, activity, investment and partnership. Housing Emergency Action points will be refined, partnership commitments focused, timescales proposed, and resources commitment scoped in early 2024.

A final version of the Argyll & Bute Housing Emergency Action will be launched across Housing Summit partners by Spring 2024.

**DECLARING AN ARGYLL AND BUTE HOUSING EMERGENCY**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The housing system is increasingly complex and contains wide ranging effects on the society we live and work in. Across the UK, the housing system is now in a position commonly recognised as being in a state of emergency, with a consistent reduction in supply, a steady increase in demand including for different types of housing, and increasing levels of un-affordability. This situation has been evident for a number of years but recent events such as the pandemic and now the cost of living crisis has exacerbated this situation.
- 1.2 Within Argyll and Bute, these problems have had a direct impact on property prices with substantial increases in our area in recent years, private rental levels rising at a substantial rate, housing availability decreasing despite our social rent build programme and local wages not keeping up with inflation.
- 1.3 The Council has already identified improving housing solutions for local people as a priority. After careful consideration of the numerous issues in front of us, including a rise in homelessness, and a lack of housing choice for key workers it is now considered necessary for the Council to specifically acknowledge a “Housing Emergency”. This will help to focus our resources and ultimately justify future decision making if any additional interventions are to be taken forward following further consideration by the council and our housing partners.
- 1.4 Consequently, there is also a need for the Local Housing Strategy (LHS) to consider these recent issues in more detail and examine if they can be addressed by the Council, or our partners including the Scottish Government. The LHS is updated annually, and it is proposed that this is the appropriate vehicle to do this.
- 1.5 To support this, officers have set up an internal Housing Group with relevant senior officers from across the Council’s Services participating. The aim of the group is to look at the key barriers and constraints to the development of housing, to consider direct intervention at all levels including radical housing delivery models, to consider new policy measures that could be employed by the Council, or the Scottish Government; to engage and facilitate with other relevant stakeholders including our communities. The work of this group will then feed in to the annual review of the LHS before the end of the year (2023).

1.3 It is recommended that the Environment, Development and Infrastructure Committee:-

- Consider the contents of this paper and formally declare a “Housing Emergency” in Argyll and Bute;
- Note the intention to update the Local Housing Strategy;
- Note 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.

**DECLARING AN ARGYLL AND BUTE HOUSING EMERGENCY**

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**2.0 INTRODUCTION**

- 2.1 This report outlines the key characteristics of stress within the Argyll and Bute housing system. It proposes that the Council formally acknowledges a Housing Emergency. It goes on to suggest that the Council's Local Housing Strategy should be updated to identify in detail what these issues are and how they might be tackled by the Council and or partners.
- 2.2 The report notes that an operational Officer Housing Group has already been established to explore and develop a series of options for Members' consideration. This includes looking at key barriers and constraints to development, considering direct intervention at all levels including radical housing delivery models, considering potential new policy measures that could be employed by the Council or Scottish Government. The operational group will use the Strategic Housing Forum, in the first instance, to report any options for considering, and to facilitate engagement with other stakeholders.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Environment, Development and Infrastructure Committee:-
- Consider the contents of this paper and formally declare a "Housing Emergency" in Argyll and Bute;
  - Note the intention to update the Local Housing Strategy;
  - Note 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.

## 4.0 DETAIL

### A HOUSING EMERGENCY

4.1 The UK housing system is complex and wide ranging in its effects on the society we live and work in. Over recent decades within the UK, including Scotland, structural changes within the housing system have occurred which see us now in a position which is commonly recognised as a housing emergency across the UK.

4.2 Described at its most basic level:

- There has been a reduction in the amount of housing supply whilst at the same time a sustained increase in demand.
- At the same time there has been a significant increase in property values, at a rate that has been well above national and local wage increases.
- There is a smaller percentage of the housing stock available as socially rented accommodation due to changes in the local economy.
- Property has been as a financially attractive investment for those with available capital, and this has helped drive price increases.
- There has been limited regulation of the private rental sector.
- We have an ageing population and an elderly and social care system that is facing considerable challenges and changes in delivery.
- Construction prices increased by 22% during 21-22.
- There are significant labour/skills shortages across a range of professions and trades.

4.3 These problems/issues have a direct impact on property prices, rental levels, and general housing availability that contributes to wider economic and social challenges. Whilst many housing issues are common and widespread, the UK is a large and disparate geography, and the nature of the national housing emergency manifests itself differently in different geographical areas and localities.

4.4 In Argyll and Bute the stark reality and critical stresses in the housing system can be characterized by some key statistics listed in the paragraphs below:

#### **High Numbers On Housing Waiting List**

- 3,290 people on the housing waiting list, 8% more than last year.

#### **High Homelessness**

- 253 households classified as homeless, 15% more than last year, and 127 currently in temporary accommodation.

#### **Low Number of New Tenancies Created**

- In 22/23, 811 new social rented tenancies were created and this is still a little

lower than pre-pandemic. In 2022, there were 4 applicants per tenancy created.

### **Unaffordable Sales Prices**

- The average house sale is up to 7 times the average wage.
- The average house price was £206k in 2022 (RICS.)

### **Low Amount Of Rented Stock**

- 5% less social rented stock than the Scottish Average.

### **Significant Housing Stock Unavailable for Residents**

- 6% second homes (0.9% average in Scotland (highest level of second homes ownership in Scotland).
- 11% vacant and second homes (4% for Scotland).
- Including NDR registered holiday lets, the total unavailable housing stock in Argyll and Bute can be as little as 0.8% in Helensburgh, commonly 20% in many rural settlements, and well in excess of 40% in certain rural villages such as Portnahaven or Balemartin.

### **Property Sales Go To People Not Residents In Argyll and Bute**

- 43% property sales in Argyll and Bute are to people from outside the Area, and this is much higher in certain parts of Argyll and Bute

### **Little Speculative Private House Building Outside Helensburgh and Lomond**

- Excluding Helensburgh and Lomond, the rate of private house completions on sites of 5 or more over the last 5 years, is only 16.8% of what would be expected for the size of population in Scotland. (131 actual, 780 predicted).

### **Rapidly Ageing Population**

- 25% currently over 65 years of age and a predicted 23% increase in numbers over 75 by 2028. At the same time under 15s decrease by 18%.

### **Reducing Household Size**

- Average household size in 2021 is the lowest in Scotland at 1.96 (Scotland 2.12).

### **Rapid Increase In Construction Costs**

- 22% increase in construction costs 2021 to 2022 (BICS National Data).
- Island costs are significantly higher.

## **Community Housing Priority**

- 56% believe housing for local families is needed for communities to thrive in the future (HIE Survey, 2022).

## **Lack of Accommodation Stifles Employment**

- Majority of employers surveyed on Mull and Iona think lack of worker accommodation is a problem, impacting negatively on current operations and stifling growth and investment. (MIGHT Survey 2022).
- Majority of employers surveyed on Islay have experienced difficulties recruiting staff due to lack of housing (Islay Strategic Housing Overview 2019).

## **DEFINING THE PROBLEM**

4.5 This is a complex and interdependent picture and collectively these local statistics point to a Housing Emergency within Argyll and Bute, set within the context of a national crisis that exacerbates the issues we face. The Council has already declared housing as one of its top priorities bringing forward a number of projects across Argyll and Bute. It would however be useful for the Council to specifically acknowledge and declare a “Housing Emergency”, as this will help to focus our limited resources, help raise the issue at a national level, and ultimately justify future decision making if any further interventions are decided upon.

4.6 To be able to think about how best to tackle this, it is helpful to try and identify common themes, and this can be done by considering four key issues:

- **Shortage of New Build Private Housing Supply**

Outside Helensburgh and Lomond there is practically no speculative private new build, and this means there are few starter homes for purchase, or smaller homes for downsizing. Both vital to maintain a healthy functioning housing market and communities that support them.

- **Unavailability and Affordability of the Existing Private Housing Stock**

A significant proportion of the housing stock is unavailable for occupancy as principal homes by permanent residents because it is in use for holiday homes, or holiday letting, and occasionally contract workers. This places stress on the rest of the housing system. In addition, the unaffordability of the housing stock that is on the market further exacerbates the problem and often favours purchasers from outside the local area with greater economic resources at their disposal.

- **Effectiveness of Social Rented Stock**

With high demand, long waiting times, slow turnover of housing stock, high numbers of homelessness in temporary accommodation, and a mismatch between stock bedroom size and demand, the social rented supply is not



performing as efficiently as it could. As a stock transfer Council, we are not in direct control and must work closely with RSLs and the Scottish Government to address these issues.

- **Maintaining New Build Social Supply**

Despite successful delivery of the Strategic Housing Investment Programme over recent years, it remains challenging to deliver new build social rented stock at the necessary volume when developing in remote rural areas with high construction costs, significant infrastructure requirements, labour and contractor shortages, increasing finance costs and a finite development appetite in terms of risk.

## **TACKLING THE ISSUES**

- 4.7 There is no single silver bullet solution to these issues, but the requirement for a broad range of activities, both short and long term. Some of these will be improving or adjusting existing activities, some will be exploring new ways of working and enabling partners, and some may involve new types of direct Council interventions.
- 4.8 Whilst having transferred the Council's Housing Stock to RSLs, the Council remains the Strategic Housing Authority for the Area, and is also the Statutory Planning Authority. As such, it is required to produce a Local Housing Strategy (LHS) approved by Scottish Government.
- 4.9 The current LHS covers the period 2022-2027 and sets out the authority's strategic vision for housing, taking into account national policy, local priorities, and based on a detailed understanding of need and demand in the Area. It is based on very extensive consultation with all sectors and stakeholders in the housing market.
- 4.10 The LHS identifies many of the statistical characteristics and issues outlined above. It sets out the strategy that underpins how the Council seeks to meet the housing need and demand for all tenures within the Area. Fundamentally, this flows from the identification of a Housing Supply Target. This then flows in to the Council's Local Development Plan, which identifies the land required on which to develop the housing, and the Council's Strategic Housing Investment Plan, which identifies where investment in new social housing will occur.
- 4.11 The Council has significant influence on the provision of social housing, and is a key partner in the operation of the existing social housing stock. However, in the private tenure of the housing market, both for sale and rent, the Local Housing Strategy has traditionally had less influence. Through the Housing Supply Target, the LHS identifies how many private sector homes are required, and the LDP identifies suitable land on which this can be provided. However, beyond this, there is a reliance on the private sector to develop and provide the houses. In a normal market situation this successfully delivers speculative housing for sale on sites identified in LDPs. However, over recent years in remote rural areas such as we

have in Argyll and Bute, there has been very limited appetite from private market house builders to develop in this manner. At the same time, unpredictable changes in the private rental market, whereby the growth of un-regulated short-term letting, and changes in the financial attractiveness of letting have reduced the number of properties available for let to permanent residents.

- 4.12 There is therefore a need for the LHS to consider these issues in more detail, and examine if and how they can be addressed both by the Council, and in partnership with other stakeholders in the housing delivery system including the private sector, community groups, RSLs and the Scottish Government. It is normal practice for the Housing Service to produce an annual LHS update and it is proposed that this is the appropriate vehicle to do this.
- 4.13 To support this officers have already set up an operational Officer Housing Group with senior officers from across the Council's services. The group will explore and develop a series of options for Members' consideration. This includes looking at key barriers and constraints to development, considering direct intervention at all levels including radical housing delivery models, considering potential new policy measures that could be employed by the Council or Scottish Government. The operational group will use the Strategic Housing Forum, in the first instance, to report any options for considering, and to facilitate engagement with other stakeholders.
- 4.14 The Group will create a direct action or delivery programme. This will largely be site focused, although may also include proposed thematic policy interventions. The Group will seek to evaluate the proposals of the Delivery Programme against identified criteria including:-
- Fit with the Council's Policy Framework: Particularly the LHS, SHIP, Local Development Plan 2, National Planning Framework4 and the emerging Argyll and Bute Economic Development Strategy.
  - Scale of impact in meeting identified need and demand.
  - Risk of proposals set against need and demand.
  - Key barriers to success and delivery.
  - Funding landscape available to the council and our partners.
- 4.15 A similar style Delivery Programme will become a statutory requirement in support of the new style Local Development Plans, which will be introduced in the next few years. It is envisaged that the resultant Delivery Programme would be maintained as a working document with regular review and monitoring. Many of the outcomes from the Delivery Programme will be capable of implementation through normal business, but it is expected that there will be a number of proposals which will require decisions of the Council to implement. Examples might include:
- Development Site purchase and or CPO;
  - Purchase of off the shelf new build private housing for rent-or re-sale;
  - Purchase of second homes appearing for sale, and their re-sale with burdens to ensure occupancy as principal homes;
  - Implementation of planning control to regulate short-term letting.

- Development of accommodation to act as a temporary or touch-down location for workers arriving on the islands.
- 4.16 The Housing Group is already in operation and is in the process of developing proposals at speed. It will feed in to the annual review of the LHS before the end of the year that will be presented to members for a further decision. It is also intended to hold a housing summit in the Autumn in collaboration with a number of our housing delivery partners.

## **EXISTING PROGRESS**

- 4.17 It is important to note, that notwithstanding the issues and challenges raised in this report, a significant amount of progress is already being made.
- The Council's award winning empty homes team has expanded and is working effectively to bring disused properties back in to use.
  - Developments in Helensburgh have continued to deliver private new build market homes at scale.
  - Phase 3 of Dunbeg coming to completion with plans underway for phase 4.
  - 251 new affordable homes on site during 21/22.
  - More social housing built on the islands than for many years.
  - Community Housing groups delivering their own housing developments in places such as Colonsay, Ulva, Ulva Ferry and Gigha.
  - £2m in 21/22 invested in improving housing stock energy efficiency with a further £2m in 2022/23.
  - Taking forward key worker housing through the Rural Growth Deal in places such as Tobermory and Bowmore.
- 4.18 A wide range of other work is highlighted at: [ARGYLL AND BUTE LOCAL HOUSING STRATEGY 2004-2009 \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/argyll-and-bute-local-housing-strategy-2004-2009)

## **5.0 CONCLUSION**

- 5.1 There is a Housing Emergency across the UK including Scotland and Argyll and Bute. It is sensible to acknowledge it at a local level justified by the stark statistics that have informed this opinion. The Council intends to refresh its LHS to ensure we are specifically addressing the issues identified with a clear focus on housing delivery actions. There is a clear intention to hold a housing summit in the Autumn of 2023 to examine this issue further bringing together a range of housing stakeholders and partners. An Officer Housing Group has been established to focus on these issues and to identify appropriate actions which are likely to include new and direct housing interventions.

## **6.0 IMPLICATIONS**

- 6.1 Policy - The proposal 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 proposals are 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**

**Cllr Robin Currie, Policy Lead for Economy and Rural Growth**

June 2023