



**HOUSING EMERGENCY    WORKER ACCOMMODATION PROPOSALS**

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**2.0    INTRODUCTION**

- 2.1    As the strategic housing authority for Argyll and Bute, the Council has a statutory duty to assess the need and demand for housing in the area and to ensure that any unmet need for housing is addressed through the Local Housing Strategy (LHS) and the Strategic Housing Investment Plan (SHIP).
- 2.2    The Council declared a housing emergency in June 2023. One of the main issues identified was the lack of worker accommodation in Argyll and Bute. If the lack of worker accommodation is not addressed there will be a serious impact on the general economy but more specifically there will be a risk that essential health and social care services will not be delivered in communities across the local authority area.
- 2.3    A housing summit took place in Oban on 27<sup>th</sup> November 2024. The 4 broad themes of the summit focused on the delivery of more market homes, the delivery of more affordable housing, the delivery of more workforce housing and how partners make best use of existing housing. The proposals in this paper will help to tackle the issue of delivering more workforce homes through a combination of making best use of existing housing and also delivering more affordable housing.

and enable accommodation for HSCP staff and staff contracted by the HSCP to deliver care to households in the community.

- v. Delegate to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the terms and conditions to be attached to any grant and / or loan agreement required as a consequence of this report.

The project will result in a 2 bedroom property being brought back into use and also a 4 bedroom property being brought back into use – both for HSCP staff who would require accommodation on the island to deliver essential health and social care service.

### **Background: The Housing Situation on Tiree**

- 4.6 There are around 560 homes on the island of Tiree, of which 36% are deemed ineffective in terms of meeting local needs i.e. 167 are second/holiday homes and a further 36 are empty/long term unoccupied. In addition there are a number of short term holiday lets. ACHA and West Highland Housing Association currently provide 40 properties for social rent; which amounts to only 7% of the total dwelling stock or 11% of the occupied stock. This is well below national levels and indicates a potentially imbalanced housing system with scope for further growth in the Registered Social Landlord (RSL) sector.
- 4.7 Affordability on the open market remains a significant issue for local residents. The average achieved house price on Tiree is £227,500 which would require a household income of £65,000 to be considered affordable. In fact the average house price is nearly 6 times the average household income. On that basis, around 80% of local households could not afford to purchase on the open market; and therefore require alternative affordable options such as social rent and shared equity.
- 4.8 Expressed demand for social rented housing is registered via the HOMEArgyll waiting list, and there are 22 active applicants with Tiree as first or second area of preference. 18 of the 22 applicants have been awarded housing need points (HOMEArgyll waiting list December 2023). Turnover in the social rented stock has been low to nil in recent years resulting in a pressure ratio of 9 applicants to every allocation of social housing.
- 4.9 The HSCP has set up an Islands Strategy Working Group to gather information in health and social care on the islands and a Tiree medical practice analysis of out of hours activity report was produced in August 2023. This revealed a high level of calls and required responses by health and social care. There is a clear requirement to provide accommodation for health and social care workers on the island. In addition a recent housing needs report published in June 2023 concluded that Tiree in common with many rural areas in Scotland has a significant shortage of affordable housing which is negatively impacting the community's and local businesses economic and social sustainability.

### **Solution**

4.10

## **Background: The Housing Situation on Mull**

- 4.11 There are around 1870 homes on the island of Mull of which 16% are deemed ineffective in terms of meeting local needs i.e. 200 are second/holiday homes and a further 98 are empty/long term unoccupied (Council Tax Records December 2023). In addition there are a number of short term holiday lets. ACHA, West Highland Housing Association and Trust Housing Association currently provide 236 properties for social rent which amounts to only 13% of the total dwelling stock or 15% of the occupied stock. This is well below national levels and indicates a potentially imbalanced housing system with scope for further growth in the Registered Social Landlord (RSL) sector.
- 4.12 Affordability on the open market remains a significant issue for local residents. The average achieved house price on Mull is £233,864 which would require a household income of £66,818 to be considered affordable. As a result at least 76% of local households could not afford to purchase on the open market; and therefore require alternative affordable options such as social rent and shared equity.
- 4.13 Expressed demand for social rented housing is registered via the HOMEArgyll waiting list, and there are 112 active applicants with Mull as first or second area of preference. 68 of the 112 applicants have been awarded housing need points (HOMEArgyll waiting list December 2023). Turnover in the social rented stock has been low in recent years resulting in a pressure ratio of 4 applicants to every allocation of social housing.
- 4.14 The Council has worked closely with Mull and Iona Community Trust to establish the requirement for worker accommodation to support the general economy of the island. MICT published a Mull and Iona Key Worker Housing study in 2022 which demonstrated a clear requirement for worker housing after consultation with local businesses. This was followed up by the publication of a Worker Accommodation Economic Impact Assessment in March 2023 which concluded that a shortage of accommodation on Mull and Iona has created a major constraint on the economy.

## **Solution**

- 4.15 The Council has agreed as part of the Rural Growth Deal to deliver worker accommodation on Mull. A Council owned site has been identified at Rockfield Road, Tobermory and the intention is to deliver 4 properties for workers on the island through the Rural Growth Deal as a first phase of developing the site. The Council has secured £700k Island Infrastructure funding from the Scottish Government (and an additional £100k from Crown Estate Funding and Place Based Investment Fund) to assist with the design and infrastructure works for the whole site which will ultimately deliver 12 properties for workers in a phased manner. A condition of this grant is that a contract for the first phase of infrastructure work



required to bring the property up to standard including roof replacement and a new heating system. The Strategic Housing Fund will contribute a grant or loan of £200,000 to the project and ACHA will contribute the rest of the costs.

### Strategic Housing Fund

4.21 The closing balance of the Strategic Housing Fund in 2023 was £10.1m as shown in the table below which was reported to Council 29<sup>th</sup> June 2023.

	Income 2022-23 £m	Expenditure 2022-23 £m	Balance at 31 March 2023 £m	Closing Opening Balance at 1 April 2022 £m
In General Fund			6,592	1,574
Useable Capital			2,231	7,217
<b>TOTAL</b>	<b>10,183</b>	<b>9,470</b>	<b>2,288</b>	<b>1,574</b>

4.22 It can be seen from the table below that there is an estimated surplus in the SHF over the next five years and Council could give consideration as to how this could be used to support the housing emergency that has been declared including the requests within this report which will make a valuable contribution to tackling identified needs for worker accommodation in the short term.

	2023 24	2024 25	2025 26	2026 27	2027 28
Estimated Income - Second Homes	2,230	2,230	2,230	2,230	2,230
Estimated Closing Balance	4,470	3,960	3,350	2,740	2,130

4.23 Officers are undertaking an assessment in regard to subsidy control issues and this will be completed and issues addressed prior to issuing any third party grant or loan approved by this paper.

## 5.0 CONCLUSION

5.1 The Council is asked to approve the recommendations set out in Section 3.1 based on the evidence supplied within this document with the purpose of enabling the delivery of worker accommodation on Coll, Tiree, Mull and the Lorn area which





- 6.6 Risk - Risk assessment is an integral part of each affordable housing development. The risk of not approving the Strategic Housing Fund request contained in the report is that the 20 worker accommodation properties in Lorn and the Isles will not be delivered.
- 6.7 Climate Change: The improvement and refurbishment work carried out the properties detailed in this report will improve energy efficiency with an ambition to deliver the properties to the current Energy Efficiency Standards for Social Housing.
- 6.8 Customer Service - The proposals will deliver increased access to a range of suitable, affordable housing options.
- 6.9 Rights of the Child (UNCRC) – None.

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