ARGYLL AND BUTE COUNCIL	ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE
DEVELOPMENT AND ECONOMIC GROWTH	1 JUNE 2023

DECLARING AN ARGYLL AND BUTE HOUSING EMERGENCY

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 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

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 decla
              Emergency

ARGYLL AND BUTE COUNCIL

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.

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.)

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

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