

# Mull and Iona Key Worker Housing

## Research Report and a Way Forward

April 2022

### Executive Summary



Report researched and written by [Community Enterprise](#) and [Communities Housing Trust](#)



# Executive Summary

## What We Did



## What We Found out

### Area Assets

1. A positive infrastructure of engagement is building
2. High economic activity and business growth potential
3. There is a strong policy fit

### The Need on the Island(s)

4. There is demand to move to the area
5. 66% of the population of Mull and Iona live within the 10% most deprived areas in Scotland regarding geographic access to services

### Broader Housing Need

6. 38% of the population of Mull and Iona live within the 20% most deprived areas in Scotland regarding housing
7. Anecdotally build costs are circa 25% higher than before covid
8. Planning constraints can increase complexity and cost of development
9. Increasingly onerous legislation and costs
10. Broad lack of housing

### **The Accommodation Gap Identified**

11. An overwhelming majority of respondents (all bar 1) agreed that lack of key worker accommodation was a problem
12. In relation to the impact of poor accommodation supply;
  - a. 78% say it impacts on their current operation
  - b. 75% say it restricts the quality of staff they can recruit
  - c. 73% say it creates staff retention issues
  - d. 63% say it limits their growth plans
  - e. 53% say it reduces the skill mix on their team
  - f. 30% say it diverts capital from the business to provide housing
  - g. Only 6% say it has no effect.
13. The anecdotal articulation of need for longer term key worker accommodation for public and private sector workers looking to move to Mull long term, was clearly evidenced.
14. Staff standards are getting higher with the consequent need to develop better quality accommodation.

### **Scale of the Gap**

15. Stakeholder interview notes indicated the scale and nature of demand from the various agencies identified (a minimum of 60-70), many of whom are included in the numbers below.
16. The following numbers emerged from the survey and these figures will be under-representations because of others who did not complete the survey;
17. Numbers of replacement accommodation for existing staff     127
18. Accommodation for additional staff     133
- Total   260**

### **Funding**

19. There is a drive to include housing investment in this kind of accommodation in the Argyll & Bute Council Rural Growth Deal.
20. Though further conversations will be required, HIE are more strategically interested in funding housing solutions if directly linked to local economic development
21. 36% of survey respondents would invest in a key worker accommodation scheme while a further 52% said they were not sure.

### **Financial Viably**

22. Various models were considered using financial modelling. With substantial subsidy and a commitment from local business, these developments are viable. New build is challenging.

### **Land and Property**

23. There are good options for site availability

### **Impact**

24. 100% agreed better key worker accommodation would improve the local economy

### **Challenges**

25. Dealing with increasingly onerous landlord requirements

## Recommendations and Next Steps

1. This report recommends clearly that MICT should proceed with the development of key worker accommodation. The demand is so significant that there is likely to be long term usage and benefit.
2. Both seasonal and temporary accommodation are required with different solutions needed for both.
3. As substantial subsidy will be required, an Economic Impact Assessment should be instructed to show the medium and long term benefit to the local economy from such a development.
4. Sites should be considered at different parts of Mull (from Buessan and Iona to Craignure, Salen and Tobermory) to respond to place-based need and the place-based nature of funding, although an initial pilot could take place at Tobermory.
5. MICT should consider an initial pilot in partnership with Argyll and Bute Council where land ownership could be simplified.
6. Consideration in a business plan (at the next phase and depending on what the focus of the pilot is) will be given to management and whether such a development is managed in house or outsourced.
7. A strong steering group should be established. This should include core partners (who could make up a future delivery model) including MICT, Argyll and Bute Council, landowners and local investor businesses.
8. Additional local and regional specialists should come together into a supportive advisory panel and sounding board.
9. This should be regarded as a national demonstration project. Contact with HIE and Scottish Government should be sought to invest in such a demonstration project.
10. Funding should be sought for a design team to undertake a site options appraisal then to produce RIBA stage 2 costed drawings.
11. In relation to governance, complexity of housing model should be avoided where possible to ensure this does not over burden MICT who have other projects to deliver.
12. Though this report refers to “key workers” to be consistent with the definition in the brief, this can be misleading and the term “worker accommodation” should be used going forward.
13. Long term a local supplier of modular off-site construction should be encouraged, to increase economic impact.