



Orkney Housing Market Partnership

Note of meeting held on 29 May 2025 at 10:00 am on Microsoft Teams.

Present:

- Councillor Gwenda Shearer (Chair).
- Councillor Ivan Taylor.
- Councillor James Moar.
- Councillor Stephen Clackson.
- Councillor John Ross Scott.
- Frances Troup, Head of Community Learning, Leisure and Housing.
- Lesley Mulrairie, Service Manager (Housing, Homelessness and Schoolcare Accommodation).
- Andrew Hamilton, Service Manager (Resources).
- Laura Baillie, Team Manager (Housing Strategy, Development and Data).
- Rachael Batty, Development and Empty Homes Officer.
- Kenny MacPherson, Head of Property and Asset Management.
- Susan Shearer, Service Manager (Development and Marine Planning)
- Derek Manson, Team Manager (Development Planning).
- Shonagh Merriman, Service Manager (Corporate Finance).
- Stuart Allison, Service Manager (Enterprise).
- Lynda Bradford, Head of Health and Community Care.
- Anna Evans, Housing Consultant for Hub North / Director, Indigo House Group.
- Mairi Ross Grey, Highlands and Islands Area Manager, Scottish Government.
- Steven Paterson, More Homes Division Co-ordinator, Scottish Government.
- Representative of R Clouston Ltd.
- Stephen Kemp, Director, Orkney Builders Ltd.
- Kate Hayes, Curriculum Leader for Construction, UHI Orkney.
- Pamela Strachan, Senior Service Planner - Development Planning, Scottish Water.
- Tracey Longworth, Director of Housing and Operations, OHAL.
- Luke Fraser, Development Manager, OHAL.

1. Welcome

Councillor Shearer welcomed everyone to the meeting, noting that there would be presentations from five individuals today. This is the first meeting of the Housing Market Partnership since December 2024 as, by agreement, the quarterly meeting scheduled for March was replaced by a specific meeting with house builders. Therefore, there are five months of progress to update on.

2. Local Housing Strategy – Action Plan Update and Monitoring

Laura Baillie delivered the first presentation on the Local Housing Strategy (LHS). Key points included:

- An update on More Homes progress. The target was 103 homes per year (60/40 split between affordable and private). Actual completions were 60 homes – 40 private, 14 Council and 6 OHAL. This amounts to 33% of the affordable homes target being achieved, and 57% for private.
- There have been 16 empty homes brought back into use during 2024/25 (the target was 15).
- A snapshot of short-term lets (STLs) for 2025 noted that there are 598 registered STLs as of May 2025 (an increase of 38 since December 2024). This makes up 5.17% of all dwellings in Orkney, with the highest concentration in Stromness, followed by Kirkwall. This will be monitored to assess the impact on housing availability and considered further through the Local Development Plan review.
- Quality and energy efficiency in existing private homes has improved. Orkney was awarded an allocation of £1.21m for HEES:ABS for 2024/25, with an additional £300k of additional funding awarded through lobbying. This enabled 148 measures to be approved across 108 households. 107 of these measures have been installed to date, with the full spend expected by June 2025.
- There has been an increase in SHQS and EESSH compliance for both OIC and OHAL, compared to 2023/24.
- At 31 March 2025, there were 74 households in temporary accommodation. There was a statutory duty to re-house 91 households, which is a reduction from the previous year. 50.55% of OIC's lets were to homeless households and 26% of OHAL's. A review of the Section 5 protocol is due to take place with OHAL, as well as looking at the Rapid Rehousing Transition Plan.
- A number of measures are being explored to improve access to housing.

From the above, there are many areas that are showing improvements. However, the new supply is well below target, resulting in a continued underspend of the grant allocation. The number in temporary accommodation remains high and the STLs are increasing. It was noted that there had been an issue with delayed claims for 2024/25, which has a knock-on effect on the next financial year. Frances asked that everyone work together to try and ensure this doesn't happen going forward.

Stephen Kemp queried whether the Orkney Builders' properties that were Partnership Support for Regeneration (PSR) funded were included in the figures. He was uncertain if they had been captured as they might be counted as private sales. Mairi stated that they should be counted. Steven Paterson confirmed that the 6 properties at Grainbank would have been counted as they were completed in the last financial year. The 12 at Walliwall will only be counted this year as the completion is only counted when the final unit is finished.

Councillor Scott queried what the HEES:ABS funding may be for the year ahead, and whether that was looking optimistic. Laura confirmed that a £1.75m bid had been submitted and a response from the Scottish Government is still to come. Lobbying for additional funds is also likely.

Councillor Scott also queried where things were with the modular accommodation for students. Kate Hayes stated that the Orkney Construction Training Group (in partnership with UHI Orkney) were awarded £75k by Scottish and Southern Energy Networks (SSEN). That is to construct two demonstrator student accommodation modules within the joinery department. This won't come on stream until next year.

3. More Homes Programme – Progress Update

3.1. SHIP

Anna Evans presented an update on the SHIP, noting progress in relation to the following projects:

- **Walliwall Phase 9a** – this is for 20 units (6 social rent from the Council, 8 low cost home ownership from OHAL, 6 PSR from Orkney Builders). Completion is anticipated this financial year.
- **Stromness** – two projects.
 - 8 OIC social rent properties, which has gone through a procurement process for design and build. A report is being presented to the Education, Leisure and Housing Committee in June for approval.
 - 25 OIC social rent properties. The outline business case was completed in April and the team are looking to submit the planning application in June, with an anticipated site start in this financial year.
- **Kirkwall** – plan for one OIC property development. Approval of the outline business case is progressing to the Education, Leisure and Housing Committee in June.
- **Walliwall 10** – the next phase that OHAL is working on with Orkney Builders. This is for 30 social rent and 10 low cost home ownership. A start date of 2025/26 is hoped for but it is going through the planning process at the moment.
- **Development Trusts** – there is provision in the SHIP for 30 units. This is not just for 2025/26 but is for ongoing projects.

There are a number of other sites that have been identified for future options, which are dependent on design, planning or Scottish Government affordable grant. The following are included in the SHIP over the next 10 years:

- **Kirkwall** – Soulisquoy, St Rognvald's House, former Papdale Halls, other large site options, Balfour Hospital site.
- **West Mainland** – Dounby (next to care home), Orphir.
- **East Mainland and Linked South Isles** – St Mary's, St Margaret's Hope, Burray.
- **Outer Isles** – the Development Trusts' work across the isles will continue.

Mairi Ross Grey noted that the Rural and Islands Housing Fund has been extended for a few years, which will secure the future of the projects on the isles as part of the SHIP.

Councillor Scott queried how some of the sites could be progressed and if it was possible to speed these up, particularly Papdale Halls, St Rognvald's House and the old Balfour Hospital. Frances noted that the old Papdale Halls building had been discontinued from its original use in 2013 but as part of it has been housing the nursery, work has not progressed. Plans are in place for the demolition of the site once the nursery moves to its

new location. There is a development brief for the wider site around it but is more of a longer-term project. St Rognvald's House is in a similar position, pending the end of its use as a care home once the new building is complete. In the interim, an options appraisal is taking place to explore some of the potentials for the site. The Balfour Hospital site is under NHS ownership and they are currently looking at their options in respect to that, with direct discussions taking place between NHS Orkney and OIC.

Stephen Kemp noted that it was good to see progress on the next housing scheme in Stromness, which will be well received by the construction industry. He did query the timeline for some of the projects, noting the difficulties he had experienced with planning delays. Susan Shearer advised that Planning were working closely with Housing on the development of the pipeline, having a lot of targeted meetings to try and speed up the process of development briefs and planning permission. Stephen queried if this would be available to external developers. It was noted that this is part of a new pre-planning model that is being tested, where there is a collective meeting with a number of partners (Planning, Roads, Water, etc) for a pre-planning discussion on larger sites. The aim is that once it is known if the process is working, it will be opened up to all Orkney developers.

3.2. Local Development Plan

Derek Manson delivered a presentation on the review of the LDP, noting:

- A huge amount of work has been completed over the last couple of years to prepare the evidence-based report, which is the first stage in the process of reviewing the LDP. The report covers a range of data and evidence around 18 topics ranging from climate change, natural cultural heritage, transport and housing, amongst others.
- The plan is to put the report to a special meeting of the Development and Infrastructure Committee on 19 June 2025 to seek approval.
- If approval is obtained, the document is formally submitted to the Scottish Government where it will go through a 'gate check' process, determining whether there is sufficient evidence to prepare the LDP. Previous submissions have taken around about 3 months. However, it has been advised that there are a lot of planning authorities in Scotland following a similar timeline and there is a bit of bottleneck over the summer months.
- Draft schedules were submitted to key stakeholders and a lot of the feedback and comments have been incorporated into the evidence report, so it is felt that there are not any disputed matters.
- The evidence report will be a key document to help prepare the proposed plan.
- There is a Housing Evidence Schedule, seeking to align with the LHS and the HNDA. In terms of the housing supply target, a baseline figure of 1,035 over a 10 year period is being used, plus a 30% uplift to provide for a generous and flexible supply of housing land going forward. In terms of land allocation, it is planned for 1,345 houses over the next 10 years.
- Whilst the evidence report has been underway, Planning have also been thinking forward to the proposed plan, including a call for sites (over 200 sites submitted) and will start to look at these over the summer months to identify what is incorporated into the proposed plan. The growth of settlements will also be looked at, and seminars have been taking place with Councillors to get a policy steer on key issues.
- The proposed plan is estimated to be Spring 2026.

Pamela Strachan queried the process around submitting the sites to key stakeholders for review and whether the plan was to assess the sites as Red, Amber, Green (RAG). Derek said that they intend to do a baseline Strategic Environmental Assessment (SEA) assessment and will try to sift through the preferred sites and reasonable alternatives so that what is provided are realistic sites for review.

4. Communication and Engagement with House Builders

Frances Troup presented an overview on communication and engagement with house builders, noting:

- There had been two useful meetings at the beginning of 2025 (30 January and 7 March), which arose as a result of issues highlighted at the HMP meeting in December 2024.
 - The first meeting in January provided an opportunity for the Council to update building contractors around what the Council's role was as the strategic housing authority, to provide an update on the LHS and to highlight what the Council are intending to do in relation to the development of 103 houses per year over the next decade.
 - The second meeting in March allowed the construction industry to outline their position and they presented their report. Key issues came out of that, such as clarity around the procurement processes which would be used, the quality of housing, and the role of the additional housing provider – an RSL rather than a building contractor.
- The Council had thought that by having two contractor representatives on the HMP that information was being relayed to other members of the construction industry. Unfortunately, this may not have worked in the way that the Council thought it had, and it became clear there was a need to get the information out more directly. As a result of this, the following measures are being introduced:
 - OIC will hold a house builder / contractor meeting after approval of the SHIP on an annual basis.
 - The minutes of the quarterly HMP meetings will be published on the OIC website, and will also include ongoing SHIP updates.
 - The Council's Communications Service has been asked to put out a press release to ensure contact with any contractor who hasn't been involved so far, so that they can be invited to future meetings and to highlight the area on the website which will contain the information, ensuring no one is missed.

Stephen Kemp noted that both he and the representative from Clouston's had not realised that the information that was being discussed at previous meetings was for the public domain, and as a result had acted in confidence. He felt that the publication of information going forward would be helpful and he could use the Building Federation as a conduit to transfer any appropriate information to the membership throughout Orkney. Frances noted that if there is a central area set up on the Council website then that would provide assurances that the information is public and is ok to be shared.

5. Homelessness Update

Lesley Mulraine provided an overview on what homelessness is and covered some of the most recent statistics. Key points included:

- A person may experience homelessness due to a range of factors such as physical rooflessness, family / relationship breakdown, fire, flooding, poverty.
- When assessing a homeless application, it must be established if the household is homeless or threatened with homelessness (going to be homeless within the next three months) and whether or not they are intentionally or unintentionally homeless.
- The definition of homelessness is laid out in legislation and staff also adhere to the Code of Guidance on homelessness.
- There are 87 units of temporary accommodation throughout Orkney. There is also supported accommodation for 16-25 year olds. The temporary accommodation is located in Kirkwall, Stromness, Finstown, Burray and St Margaret's Hope. At times, the Council can also be reliant on the use of bed and breakfast, hotels and self-catering accommodation when the Council's own temporary accommodation stock is full.
- Homelessness is not dealt with in isolation and partnership working is crucial.
- Throughout 2024/25 there were 113 households who presented as homeless. As at 31 March 2025, there were 74 households in temporary accommodation.
- Not all homeless households require temporary accommodation, some remain with family or friends for the duration of their homeless application and are classed as 'homeless at home'. As a result of this, there are currently 91 households where the Council has a duty to permanently rehouse.
- The average time from homeless presentation to completion of Council duties was 40 weeks for 2024/25. This is an increase on previous years, with 28 cases that have waited over a year to be permanently rehoused. Generally, this pressure is on one bedroom properties (particularly in Kirkwall) and 4+ bedroom properties for larger families, with a lack of these properties being available.
- Due to the increase in the length of time in temporary accommodation, 10 additional properties have been added to the temporary accommodation stock over the past few years in order to meet statutory duties.
- In 2024/25, the Council permanently re-housed 46 households into secure tenancies, and OHAL re-housed 12 households. The Council has prioritised housing homeless households in line with the Scottish Government's requirement to have a Rapid Rehousing Transition Plan.
- Following recent discussions with OHAL, a different approach is being trialled in respect of allocations to homeless households. Historically, OHAL would notify the Council of a property and the Council would refer a homeless household through the Section 5 referrals. OHAL have now set up a new category for OIC priority applicants, whereby homeless households can bid directly for their properties. The new approach was launched on 12 May 2025. It is hoped that this will help to get Orkney into a position where there are a smaller number of households in temporary accommodation going forward.

Councillor Scott noted that there had been a situation last year where people were potentially being housed in Thurso/Caithness because of the pressures in Orkney. He queried whether that was still an issue or if that could be prevented in future. Lesley confirmed that last summer the Council had to consider out of area placements for temporary accommodation due to not having any availability in Orkney. There was a small number of households where that had to be offered but it was found that in most cases

people were able to stay with friends or family until temporary accommodation was available. With pressures likely again with the Island Games coming up, the Council has planned ahead and has already booked some accommodation so there are contingencies should the situation arise.

Councillor Scott also queried if the reduction in the number of homeless presentations was due to the out of area placements. Lesley noted that in 2023/24 there were 144 homeless households, compared to 113 in 2024/25. While there has been a reduction, it is not possible to determine the exact reason for it and some years can experience a natural reduction. Anna noted that the statistics around homelessness really emphasises the need for 'move on' accommodation through the new supply programme.

6. Summary

Frances gave a summary of the meeting, noting that the HMP is to remain a quarterly meeting. The next meeting will take place on 28 August 2025 and will be in the Council Chamber.

An update has been given on current progress and the previously agreed strategy is the one that is being worked towards. There's a real push on developing as much as possible and in order to do this Housing are:

- Working with Planning to ensure a pipeline of sites.
- Making best use of grant / maximising our use of grant.
- Progressing with purchase of key worker accommodation (with thanks to the Scottish Government for funding for the properties already purchased. Communications will be published around this shortly).
- Continuing with increased work around empty homes.
- Continuing to work with SSEN around a housing legacy and empty homes.

Frances reinforced the position that Orkney needs to maximise build. The Council, as a strategic housing authority, will follow up to make sure that where we, together, are saying that we can deliver housing, that we can evidence that is the case, and seek answers on delivery and affordability.

Councillor Moar queried if there was to be another builders meeting this year. Frances confirmed that this will likely take place in December after approval of the SHIP.

Councillor Shearer thanked everyone for attending and gave thanks to the presenters and their teams for the excellent information that has been received today. With no other business, the meeting was closed at 11:20 am.