

Orkney Housing Market Partnership

**Note of meeting held on 25 June 2026 at 10:00 in the Council Chamber /
via Microsoft Teams**

Present:

- Frances Troup, Head of Strategic Housing, Housing Operations and Homelessness (Chair of HMP).
- Councillor Gwenda Shearer, Kirkwall East / Chair of Education, Communities and Housing
- Councillor Ivan Taylor, Kirkwall West and Orphir / Vice Chair of Education, Communities and Housing.
- Councillor Heather Woodbridge, North Isles / Council Leader.
- Councillor James Moar, East Mainland, South Ronaldsay and Burray.
- Councillor Janette Park, Stromness and South Isles.
- Councillor John Ross Scott, Kirkwall East.
- Councillor Sandy Cowie, Kirkwall West and Orphir / Council Deputy Leader.
- Councillor Stephen Clackson, North Isles.
- 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.
- Susan Shearer, Service Manager (Development and Marine Planning).
- Erlend Poke, Team Manager (Projects).
- Stuart Allison, Service Manager (Enterprise).
- Lynda Bradford, Head of Health and Community Care.
- Marcus Weurman, Development Manager, Hub North Scotland.
- Anna Evans, Housing Consultant for Hub North / Director, Indigo House Group.
- Steven Paterson, Area Manager, More Homes Division, Scottish Government.
- Brian Kynoch, Chair, Orkney Housing Association Ltd.
- Tracey Longworth, Director of Housing and Operations, Orkney Housing Association Ltd.
- Luke Fraser, Development Manager, Orkney Housing Association Ltd.
- Neil Ross, Development Director, Places for People Scotland.
- Susan Davies, Development Manager, Places for People Scotland.
- Pamela Strachan, Senior Service Planner – Development Planning, Scottish Water.
- Morven Brooks, Chief Executive, Voluntary Action Orkney.
- Lauren Johnstone, Senior Project Manager, NHS Orkney.

Apologies:

- Alan Scott, Head of Estates, NHS Orkney.
- David Campbell, Housing Consultant, Development Trusts.
- Councillor Jean Stevenson, West Mainland.
- James Wylie, Director of Education, Communities and Housing.
- Gavin Barr, Head of Planning and Regulatory Services.
- Derek Manson, Team Manager (Development Planning).
- Margaret Gillon, Senior Planner.
- Kenny MacPherson, Head of Property and Asset Management.
- Glen Thomson, Service Manager (Property and Capital Programme).
- David Custer, Service Manager (Engineering).
- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Karen Bevilacqua, Service Manager (Legal Services).
- Georgette Herd, Principal Solicitor.
- Sweyn Johnston, Head of Enterprise and Economic Growth.
- Kirsty Groundwater, Team Manager (Communications).
- Ruth Lea, Occupational Therapy Lead.
- Representative of R Clouston Ltd.
- Stephen Kemp, Director, Orkney Builders Ltd.
- Fiona Lettice, Vice Chair, Orkney Housing Association Ltd.
- Craig Spence, Chief Executive, Orkney Housing Association Ltd.
- Ruth Kirkpatrick, Area Team Leader, Highlands and Islands Enterprise.
- Duncan Bertram, Senior Development Manager (Land) – Scotland, Places for People Scotland.

1. Welcome

Frances Troup welcomed everyone to the meeting and noted that the focus of the meeting was on the Local Housing Strategy monitoring update.

2. Local Housing Strategy - Monitoring

The update was delivered by three presenters:

- Anna Evans, covering the housing market update.
- Laura Baillie, covering more homes and quality warm homes.
- Lesley Mulraine, covering access and choice of housing for all.

2.1. Housing Market Update

Anna provided an update on housing market conditions and the evidence base underpinning housing strategy and future housing supply planning.

Updated 2022-based household projections were presented and compared with the previously used 2018-based projections. The updated projections show a broadly similar pattern of household growth, with slightly higher projected household numbers over the longer term. It was noted that this continues to support the Housing Need and Demand Assessment, existing housing supply targets and the overall strategic approach to increasing housing supply.

Recent house price data was presented showing that average house prices in Orkney remain higher than the Scottish average. House price growth in Orkney has continued to outpace national trends, demonstrating ongoing affordability pressures within the local housing market. The continued need for affordable housing provision, including low-cost home ownership options, was highlighted.

Information was also presented on affordable housing construction costs. Average development costs in Orkney continue to exceed both Scottish averages and expected Orkney benchmarks. Factors contributing to higher costs include logistics, supply chains and market conditions.

Discussion:

- Councillor Woodbridge asked whether construction cost information was available separately for mainland and outer island developments, noting the importance of understanding island cost differences when engaging with government on funding.
 - Anna advised that the data is available and confirmed that outer island costs are generally higher than the figures presented. **She offered to provide further information after the meeting.**
 - Steven Paterson noted that some island figures are influenced by refurbishment and community-led projects and suggested that comparisons with other island authorities may also provide useful context.
- Brian Kynoch asked whether comparative information was available for Shetland and the Western Isles.
 - Steven advised that comparative information exists and **agreed to share relevant data, particularly from the Western Isles.**
- Councillor Moar queried the reasons for the difference between expected and actual affordable housing construction costs.
 - Anna advised that figures reflect actual tender returns and market response.
 - Steven noted that the difference would need to be examined at project level but agreed that development costs are currently exceeding expected benchmarks.

2.2. More Homes / Quality Warm Homes

Laura provided an update on progress against the More Homes and Quality Warm Homes priorities within the Local Housing Strategy.

During 2025/26, the Affordable Housing Supply Programme delivered 74 approvals, 58 site starts and 40 completions. The Key Worker Fund contributed additional housing delivery through 2 approvals, 2 site starts and 7 completed homes. It was reported that Orkney exceeded its annual Scottish Government housing allocation for the first time in more than

ten years. Actual Scottish Government investment in new affordable housing in Orkney during 2025/26 was £6.57 million, compared with a Resource Planning Assumption of £4.068 million, representing expenditure of 61% above the original allocation. This reflects strong programme delivery and Scottish Government confidence in the delivery of housing projects in Orkney.

Progress updates were provided on a range of housing developments across Orkney Islands Council, Orkney Housing Association, Places for People Scotland and Development Trust programmes. This included completed projects, developments under construction and projects progressing through design, planning and procurement stages. Full details are included in the presentation.

An update was also provided on empty homes activity. During 2025/26, 23 empty homes were returned to use, bringing the total number of homes returned to use since 2017/18 to 123. Funding for a full-time Empty Homes Officer has been secured and the Council's Empty Homes Loan Scheme has been launched to support the return of properties to the housing market.

The Strategic Housing Investment Plan process for future years was outlined, including the timetable for submissions and the proposed assessment framework for prioritising projects.

In relation to Quality Warm Homes, updated fuel poverty statistics were presented. The data indicated that fuel poverty and extreme fuel poverty rates in Orkney remain significantly higher than Scottish averages. Information was also provided on housing energy performance, housing quality and the Home Energy Efficiency for Scotland Area-Based Scheme (HEES: ABS). Future work will focus on improved use of housing data, targeting lower-performing properties and undertaking a Council housing stock condition survey to inform future investment decisions.

Discussion:

- Councillor Scott asked for an update on progress with the former Papdale Halls demolition project.
 - Anna advised that required surveys had largely been completed, procurement documentation was being finalised and demolition remained on programme, subject to approvals.
- Councillor Woodbridge asked for clarification regarding the sample size behind fuel poverty data.
 - Laura advised that the published information referred to a very small Orkney sample and that **exact figures would require confirmation.**
 - Luke Fraser noted that sample sizes are typically very small.
- Anna asked whether any successor programme was anticipated following the end of the current HEES: ABS programme.
 - ***Following the meeting, it was clarified that the presentation referred to 2025/26 year-end position for the current programme and not the end of HEES: ABS itself. The programme is continuing, therefore no successor programme is presently required.***

- Marcus Weurman provided an update on work being undertaken with NHS Orkney in relation to the former Balfour Hospital site, including site investigations and stakeholder engagement.
 - Anna asked about the likely future use of the former Balfour Hospital site.
 - Marcus advised that it was too early to determine the final mix of uses and that stakeholder engagement was underway.
- Morven Brooks highlighted concerns raised by THAW regarding contractor availability for energy-efficiency projects in the isles.
 - Frances confirmed the Council would work with THAW and explore how partners could assist.
 - Laura **agreed to follow the matter up with relevant parties.**
- Councillor Moar suggested consideration of direct labour arrangements for construction activity.
 - Frances noted the historical background and advised that this would be a matter for elected members.
- Councillor Taylor asked for clarification regarding the number of organisations responding to the Strategic Housing Investment Plan call for proposals.
 - Laura confirmed that proposals had been received from five housing development organisations.
- Lauren Johnstone provided additional information regarding NHS Orkney's early thoughts for the former Balfour Hospital site, including potential accommodation and development capacity.

2.3. Access and Choice of Housing

Lesley provided an update on housing demand, homelessness and access to housing.

Housing register data was presented showing a reduction in waiting list numbers compared with previous years. It was noted that the earlier peak in applications had been influenced by issues with the administrative rolling review process and that the current figures provide a more accurate reflection of housing demand.

Homelessness presentations increased during 2025/26, with a corresponding increase in households to whom a homelessness duty was owed. The number of households requiring temporary accommodation remains significantly higher than historical levels, placing additional pressure on services and accommodation resources.

Information was provided on the number of permanent lets allocated to homeless households by both Orkney Islands Council and Orkney Housing Association, and that the Council is working with Orkney Housing Association on Section 5 referrals. Despite significant levels of rehousing activity, demand for permanent accommodation continues to exceed available supply.

It was noted that homeless households accounted for a significant proportion of all social housing lets during 2025/26. Homeless households received approximately 54% of all OIC

lets and 36% of OHAL lets, illustrating the continued pressure that homelessness duties place on the allocation of available social housing.

The average length of time spent in temporary accommodation has continued to increase, reflecting challenges in securing suitable permanent housing.

The current homelessness position was outlined, including the number of households awaiting assessment, temporary accommodation placements and permanent housing. It was noted that housing pressures are increasingly affecting households who may not traditionally have required homelessness services, including working households and older people. The ongoing shortage of affordable housing, limited private rented accommodation and rising house prices continue to contribute to this position.

Discussion:

- Frances asked whether the increase in homelessness presentations from older people reflected a need for specialist accommodation.
 - Lesley advised that both specialist housing needs and wider housing supply issues were contributing factors.
- Anna asked how homelessness presentations could be increasing while housing waiting list numbers had reduced.
 - Lesley explained that the reduction in housing waiting list numbers reflected improvements to rolling review processes rather than a reduction in housing need.
- Lynda Bradford noted that the homelessness trends presented reflected pressures being experienced within adult social work services.
- Councillor Scott asked about out-of-area accommodation placements for homeless households.
 - Lesley clarified that out-of-area placements are temporary and used only as a last resort when no suitable accommodation is available within Orkney.
 - Frances confirmed that permanent rehousing continues to be within Orkney.
- Morven asked about homelessness linked to rent arrears and housing-related debt, and what preventative support was available.
 - Lesley outlined prevention work, referral arrangements and partnership working with third-sector organisations but noted that many households present at a stage where prevention options are limited.
 - Frances summarised the wider homelessness prevention framework and partnership arrangements.
 - Tracey Longworth outlined Orkney Housing Association's preventative approach and confirmed there had been no evictions for rent arrears during the previous year.
- Councillor Taylor asked whether Places for People would support rehousing of homeless households.
 - Frances confirmed that housing associations assist through Section 5 referral arrangements.

- Neil Ross confirmed Places for People would work closely with partners to support this approach.
- Councillor Taylor asked whether discussions had taken place with SSEN regarding accommodation requirements arising from future infrastructure projects.
 - Andrew Hamilton advised that work was ongoing with SSEN regarding contingency accommodation provision at Houton for peak workforce demand.

2.4. Next Steps

It was noted that the monitoring information presented would form the basis of a report to the Education, Communities and Housing Committee in September. HMP members were asked whether they were satisfied that the update provided an accurate overview of progress against the Local Housing Strategy. Support was expressed for the information presented and no further matters requiring amendment prior to submission to committee were raised.

3. AOCB

Empty Homes Loan Scheme

Councillor Moar asked about funding for the Empty Homes Loan Scheme. Frances explained the scheme is funded through Council reserves as a revolving loan fund charging interest, with capacity for approximately 40 cases. Uptake will be reviewed and reported back after approximately one year.

Agreed Actions

- Anna Evans to provide mainland/outer isles affordable housing cost data.
- Steven Paterson to share comparative affordable housing data, particularly Western Isles.
- Laura Baillie to confirm sample size for fuel poverty data.
- Steven Paterson to seek information regarding any successor programme to HEES: ABS and report back.
 - **Following the meeting, it was clarified that the presentation referred to 2025/26 year-end position for the current programme and not the end of HEES: ABS itself. The programme is continuing, therefore no successor programme is presently required.**
- Laura Baillie to raise THAW contractor-access concerns with contractor representatives and arrange follow-up discussions.

Next Meeting: 24 September 2026

Future agenda items:

- Development Trust funding changes
- THAW presentation on fuel poverty.

With no other business, Frances thanked everyone for their contributions and the meeting was closed at 11:15.