

Application for Review of Decision Relating to Island Community Impact Assessment

Regulation 5 of The Island Communities Impact Assessments (Publication and Review of Decisions) (Scotland) Regulations 2020

Notes:

1. This form is to be used by an applicant applying for a review of a decision relating to an island community impact assessment (“ICIA”) under regulation 5 of the Island Communities Impact Assessments (Publication and Review of Decisions) (Scotland) Regulations 2020.
2. You may download this form and complete it manually or electronically.
3. If you complete the form manually, please do so using black or blue ink and capital letters.
4. Whether you complete the form manually or electronically, you may continue any answer on a separate sheet of paper. If you do this, please—
 - indicate on the form where any answer is given or continued on a separate sheet,
 - indicate on each separate sheet the question number(s) to which it relates.
5. This form must be submitted directly to the relevant authority identified in Section 3. For details of where to send this form and attached documents, please visit www.gov.scot and search for “empowering our island communities”.
6. Failure to supply all relevant information could invalidate your application.

Section 1 - Who Is Applying

1.1 Please put an “X” in the relevant box:—

Applicant is an individual

Applicant is a community controlled body

Applicant is a relevant local authority

1.2 Please state who is applying for the review:

Information redacted under Regulation 9(2)

Section 2 – Details Of Who Is Applying

2.1 Please supply the contact details of the applicant:

Postal Address: **Information redacted under Regulation 9(2)**

Postcode: **Information redacted under Regulation 9(2)**

E-mail: **Information redacted under Regulation 9(2)**

2.2 Please confirm if you agree to all correspondence regarding your application being sent by e-mail (put an X in the box)? Yes No

Section 3 – Details of Relevant Authority

3.1 Please provide the name of the relevant authority who made the decision which you are applying to have reviewed: North Ayrshire Council

Section 4 – Grounds for Review

4.1 Please mark an “X” in the relevant box to confirm which ground applies to this application (tick one box only, unless both grounds (ii) and (iii) apply):

- i. the applicant disagrees with the published explanation of the relevant authority for not preparing an island communities impact assessment,
- ii. the applicant considers that the relevant authority, in making its decision, has failed to describe the likely significantly different effect of the policy, strategy or service (as the case may be),
- iii. the applicant considers that the relevant authority, in making its decision, has failed to assess the extent to which the relevant authority considers that the policy, strategy or service (as the case may be) can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it, or
- iv. the relevant authority has reviewed a policy, strategy or service and has decided not to prepare an island communities impact assessment for that policy, strategy or service and has not published an explanation for not preparing an island communities impact assessment and the applicant considers that policy, strategy or service has an effect on an island community which is significantly different from its effect on other communities (including other island communities) in the area in which the relevant authority exercises its functions.

Section 5 – Details of Decision to which the Application Relates

5.1 Please supply the following details about the decision:

Has an ICIA been prepared? (put an X in the box)? Yes No

If Yes, date of publication of ICIA: 12 February 2025

If No, has the relevant authority published reasons for not preparing an ICIA? (put an X in the box) Yes No

If Yes, date of publication of reasons:

If No, please provide details of the policy, strategy or service to which this application relates:

Section 6 - Statement of Reasons

6.1 You MUST state, in full, why you are applying for a review of the relevant authority's decision. Your statement must set out all matters you consider require to be taken into account in determining the review.

Note: you might not have a further opportunity to add to your statement of reasons at a later date, so it is essential that you produce all of the information you want the decision-maker to take into account. You will though be entitled to comment on (i) any additional matter which may be raised by the relevant authority in its response to your application, or (ii) any representations the relevant authority might receive from any other person or body.

State the reasons for your application and all matters you wish to raise here. (If necessary, this can be continued or provided in full on a separate document.)

North Ayrshire Council prepared an Island Communities Impact Assessment (ICIA) for the Isle of Cumbrae (dated 18 January 2025), in relation to the proposed introduction of a 100% premium Council Tax charge on second homes from 1 April 2025. The ICA was only published in the Agenda Document Pack for the Council meeting on 12 February 2025 at which the policy was approved. Council Tax bills which included the new premium were subsequently sent to second home owners dated 6 March 2025.

It is clear therefore that the policy was approved and implemented before the expiry of the three month statutory review period required by The Island Communities Impact Assessments (Publication and Review of Decisions) (Scotland) Regulations 2020. This did not allow for the possibility that applicants would call for a review of the ICIA that could result in changes to the policy.

In addition, North Ayrshire Council failed to properly assess the extent to which the introduction of the policy could be developed or delivered in such a manner as to improve or mitigate the outcomes resulting from it for the Isle of Cumbrae.

This failure relates in particular to two aspects of the ICIA:

Firstly, the ICIA recognises that the policy is likely to have a far greater impact on Cumbrae than on the mainland. 30% of all North Ayrshire's second homes are located on the Cumbrae, which has a population of just 1,262. 37% North Ayrshire's second homes are located on the mainland, which has a population of 133,413. This means the impact per capita is 74 times higher on Cumbrae than on the mainland.

The council tax premium charged on Cumbrae as a result of the policy is estimated, based on figures within the ICIA, to be £500,589. Given that the island has a total economic output of just £12.9 million (compared to an economic output for North

Ayrshire as whole of approximately £2.4 billion) this is a very significant and disproportionate impact.

The ICIA states “This policy would be applied across all North Ayrshire and it is intended to have the same impact across the whole area... It is recognised however that the impact of such a change could be proportionately greater across the island communities.”

Despite identifying the disproportionate impact of the policy on Cumbrae, North Ayrshire Council failed to develop or deliver the policy in such a manner as to improve or mitigate the outcomes resulting from it for Cumbrae. The only mitigation proposed is that 10% of the additional income received is ringfenced to support investment in affordable housing, but this is for North Ayrshire as a whole, it is not targeted specifically at Cumbrae. Other than that, the ICIA simply proposes monitoring to assess the impact of the policy after it has been introduced, stating: “Any unintended consequences of the policy will be closely monitored so that appropriate steps can be taken to minimise any negative outcomes for the community as required.”

Secondly, NAC state in the Executive Summary of the Agenda Document Pack for the meeting on 12 February that the policy will; “help to mitigate the negative impacts of second home ownership across our communities, and in particular within our island communities, through the promotion of behavioural change across second home owners leading to a better balance between second homes and homes occupied on a more permanent basis, benefitting local communities and increasing supply in the private rented sector.”

However, the ICIA identifies that unlike the rest of North Ayrshire, 76% of the second homes on Cumbrae are council tax band A and B properties (compared with just 37% on the mainland). Many of these properties are small one- or two-bedroom tenement flats built in the 19th century. Whilst they are adequate for temporary occupation as second homes in the warmer months, many are unsuited to full-time occupancy and are not large enough to provide homes for working families. They tend to be small and expensive to heat to a comfortable level in the winter.

The ICIA states: “...in Cumbrae it is recognised that the type of second home accommodation proportionally across Bands A and B may not lend itself or be suitable for more permanent island living..... There is a risk, which is probably more acute in Cumbrae, that this change could potentially lead to more housing supply for lower banded properties being available on the market and that this is not matched by an equivalent level of demand for such properties.”

The ICIA identifies therefore that the policy may fail to deliver its intended outcome on Cumbrae. Despite this, NAC did not consider how it could be developed or delivered to improve or mitigate its outcomes for Cumbrae. It simply proposes that, after introduction of the policy, NAC will monitor: “....the number of second homes retained, the number of homes sold or rented, and the number of homes changed to holiday lets, along with external support to help monitor house prices on the islands”.

Section 7 - Statement Demonstrating Direct Effect

7.1 You MUST state, in full, how you have been, or are likely to be, directly affected by the policy, strategy or service to which the decision relates.

Information redacted under Regulation 9(2) has submitted this application on behalf of the community on the island, as agreed at a meeting of Information redacted under Regulation 9(2) on 27 March 2025.

The community is concerned that the policy will have a disproportionate impact on Cumbrae, a small island with a fragile economy that is heavily dependent on tourism, including the substantial contribution from second home owners. Much of the town of Millport on Cumbrae is within the 30% most income deprived data zones in Scotland and among the 10% most employment deprived data zones in Scotland. The tourism related sectors on the island (accommodation and food service activities, arts, entertainment, and recreation) account for a quarter of GVA and 22% of all employment.

The policy is likely to discourage second home owners, leading to a reduction in income for the island and an increase in properties being vacated and offered for sale. The increased annual costs of ownership could also result in reduced maintenance, starting a spiral of decline that had been reversed in recent years. However, the policy will not have the intended outcome of increasing the number of homes occupied on a more permanent basis and increasing supply in the private rented sector, as the type of properties that will become available do not match the profile of the properties that are likely to appeal to prospective permanent residents.

Of the properties on Cumbrae that have an Energy Performance Certificate, 89% are rated D or lower (compared with 53% across Scotland) and less than 2% are rated B and above (compared with 18% across Scotland). This poor efficiency rating is exacerbated by a lack of a mains gas supply on the island, meaning that many properties rely on expensive electricity or oil for their heating, or even wood-burning stoves.

Whilst Cumbrae is part of the Carbon Neutral Islands initiative, the majority of properties are within the conservation area, and the solutions that are available through the initiative are not appropriate for them, or are not permitted. External wall insulation is not generally suitable, solar panels are not a permitted development, internal wall insulation is often not desirable as it reduces already limited internal space and can result in a loss of original features. Without these solutions in place, heat pumps are generally not efficient. This means property owners have no obvious solutions, and it leaves those properties unsuitable for permanent occupation.

To deliver the intended outcome of the policy, first, a detailed study of the second homes on the island should be undertaken to assess their condition and to consider the viability of possible alternative solutions for retrofitting and altering them to make them suitable for permanent occupation by working families. A programme of works will then be required to upgrade those properties that need it.

Without these actions, the policy will have a substantial negative impact on the island, reducing income and leaving vacant properties, but it will fail to deliver the positive outcomes that were intended.

Section 8 - List of Documents / Evidence

8.1 Please provide a list of all documents, materials and evidence which you have provided with your application and intend to rely on in support of your application and ensure that the documents are clearly numbered (if necessary, this can be continued or provided in full on a separate document).

n/a

The relevant authority will publish all documents relating to the review on its website.

If you take part in the review process or use the website of the relevant authority, the relevant authority may collect certain information about you. If the relevant authority is the Scottish Ministers, to find out more about what information is collected and how the information is used and managed, please read the Scottish Government island community impact assessments review of decisions procedure privacy notice on the Scottish Government Website www.gov.scot.

For any other relevant authority, please see the website of that relevant authority for details of their privacy notice.

Declaration

I apply to the Relevant Authority as set out on this form and supporting documents.

Signed **Information redacted under Regulation 9(2)** Date 9/4/2025

This form and all supporting documents should be sent to the relevant authority identified in Section 3. Details of the contact addresses for each relevant authority can be found on the Scottish Government Website www.gov.scot.