The Highland Council

Community Services Committee
4 June 2015

Agenda Item	16
Report No	COM 29-15

Highland Housing Need and Demand Assessment

Report by the Director of Community Services

Summary

This report provides background information on the requirements to produce a Housing Need and Demand Assessment to support the Council's Local Housing Strategy and Development Plan. The report provides information on the key findings of the Housing Need and Demand Assessment for Highland.

1. Background

1.1 The Housing (Scotland) Act 2001 places a requirement on Local Authorities to prepare a Local Housing Strategy supported by an assessment of housing provision and related services. The Town and Country Planning (Scotland) Act 1997 (as amended), requires Local and Strategic Planning Authorities to plan for land use in their area, including the allocation of land for housing. The Housing Need and Demand Assessment provides the evidence-base to support both these processes.

1.2 The Scottish Government has developed a standard methodology and toolkit for Council's to follow in carrying out Housing Need and Demand Assessments. This brings together sources of national data to support consistency in approach nationally.

1.3 Where the Scottish Government is satisfied that the Housing Need and Demand Assessment is "robust and credible", the approach used will not normally be considered further at a Development Plan examination.

1.4 We have now produced an updated Housing Need and Demand Assessment for Highland based on current guidance. The full draft document can be accessed at:

http://www.highland.gov.uk/downloads/download/1030/highland_housing_need_and_demand_assessment_2015

The Key issues identified are set out in **Appendix 1**.

2 Purpose of the Housing Needs and Demand Assessment

2.1 A Housing Need and Demand Assessment estimates the future number of additional homes required to meet existing and future housing need and demand. It also captures information on the operation of the housing system to assist Local Authorities to develop policies on new housing supply, management of existing stock and the provision of housing-related services. Its purpose is to provide a robust, shared and agreed evidence-base for housing policy and land use planning and to ensure that both Local Housing Strategies and Development Plans are based upon a common understanding of existing and future housing requirements. The main outputs expected are:

- the key housing market drivers, past, present and future;
- an estimate of additional homes required over the period of the Housing Need and Demand Assessment by tenure;
- the current and future requirement for specialist housing provision, mainly in relation to people with health and community care needs but also including sites for Gypsy/ Travellers' and
- existing housing stock profile and pressures.

3 Developing a Highland Housing Need and Demand Assessment

3.1 Guidance states that Local Authorities should establish a "Housing Market Partnership" to oversee the development, production and sign-off of the Housing Need and Demand Assessment. As a minimum this should comprise a core group of housing and planning officers. In Highland the Head of Housing, Head of Planning and Building Control and Head of Property Partnerships have undertaken the role of Housing Market Partnership for the purposes of completing the Housing Need and Demand Assessment.

3.2 Wider consultation has taken place through the existing Housing Strategy Group, which consists of a range of stakeholders including housing providers, developers and planners. A sub-group of the Housing Strategy Group was set up to assist in undertaking the Housing Need and Demand Assessment. Consultation on specialist provision is taking place through the Adult Services Strategic Planning Group. Specific discussion has also taken place with officers from the Cairngorm National Park Authority.

3.3 Subject to final consultation with stakeholders we are now ready to submit our Housing Need and Demand Assessment to the Scottish Government, seeking confirmation that the analysis is "robust and credible" in terms of guidance.

5. Implications

5.1 Resources – there are no immediate resource issues.

5.2 Legal – the preparation of a Housing Need and Demand Assessment is a legal requirement.

5.3 Equalities - The Housing Need and Demand Assessment should provide a sound evidence-base for the housing requirements of all equality groups locally where need is has been shown to arise. This evidence will inform Equality Impact Assessments (EQIAs) which will be undertaken for both the Local Housing Strategy and Development Plan.

5.4 Climate Change/Carbon Clever – there are no impacts arising from this report.

5.5 Risks – having a "robust and credible" housing needs assessment will reduce the risk of planning appeals.

5.6 Gaelic and Rural implications - no are no implications arising from this report.

Recommendations Members are invited to: (i) Approve the key issues identified in the Highland Housing Need and Demand Assessment; and (ii) Agree to submit the Housing Need and Demand Assessment to the Scottish Government, seeking confirmation that the analysis is “robust and credible” in terms of guidance, subject to any final comments received on the consultative draft.

Designation: Director of Community Services

Date: 21 May 2015

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Appendix 1: Highland Housing Need and Demand Assessment 2015

Key Findings

Housing Market Drivers	Key Issues Identified in the HNDA
Demographic issues for the local housing market(s)	1. The population of the Highlands has seen continued steady growth. 2. The percentage of households age 65+ tends to be above the national average. 3. The percentage of households in the 16-44 age group tends to be below the national average. 4. There are different population profiles across the 10 Highland Housing Market Areas. 5. Highland is dependent on inward migration for population growth. 6. Population and household projections based on all 3 migration scenarios are below the long term trend. 7. Projections based on the last 5 years underestimate the likely level of growth in the next 5 years, as they are based on short term trends during an economic downturn. 8. The Highland Housing Market Partnership has decided to adopt a planning scenario that aims to deliver the 20 year historic average rate of house building (1,180 houses per year) during the first half of the plan period.
Affordability issues for the local housing market(s)	1. The credit crunch had a significant impact on the housing market in Highland, dampening house price inflation and reducing the volume of open market sales. 2. There are significant differences in house prices / affordability between Housing Market Areas.
Economic issues for the local housing market (s)	1. Highland in general has stronger economic growth than Scotland as a whole although economic output remains below the national average. 2. The employment sector in Highland shows a greater dependency on public sector jobs, with a high dependency on tourist related employment, and a higher proportion of self-employed people. 3. Highland has high levels of economic activity but lower incomes than the national average.

Stock Profile, pressures

LHS and Development Plan	Key Issues Identified in the HNDA
Housing quality	1. Overall the condition of the Housing Stock in Highland tends to be better than the national average on key indicators of building conditions and lower than the national average in relation to energy efficiency measures. 2. Highland has a higher proportion of adapted properties in the public sector and a lower proportion of adapted properties in the private sector than Scotland as a whole. 3. There is a concentration of poor housing conditions in the Private Rented Sector. 4. There are challenges for social landlords in meeting the Scottish Housing Quality Standard in relation to energy efficiency due to cost and technical difficulty in off-gas areas.
Housing Stock Pressures	1. Demand for housing is high and there is a fairly consistent demand by property size across Housing Market Areas with on average 63% of applicants requiring a 1 bedroom property; 23% a 2 bedroom property and 10% a 4 bedroom property. 2. There are variations in social rented stock by house size across Housing Market Areas, with particularly low proportions of 1 bedroom properties in Lochaber and East Ross and a low proportion of 2 bedroom properties in East Ross and Sutherland. 3. Overall housing pressure varies significantly across Housing Market Areas, with Nairn and Inverness, and Skye and Lochalsh having the greatest pressure, and Caithness low pressure. 4. There is a mismatch between supply and demand for different property sizes, which varies across Housing Market Areas. 5. There is a considerable pressure for 1 bedroom properties, and this is likely to continue given demographic trends.

Size, type, tenure and location of future social housing supply	1. There is a lower proportion of social rented housing in Highland than in Scotland as a whole. This contributes to housing pressure across most Housing Market Areas. 2. The percentage of private renting has remained broadly unchanged over the last 10 years. 3. There has been a reduction in Right to Buy Sales over the last 10 years, and when Right to Buy is ended in 2016 we will begin to see a real increase in social rented stock. 4. There is a higher proportion of pre1919 housing stock across all tenures, and less interwar and post-war properties, reflecting historic population / migration / economic patterns over the 20th Century. 5. There are some significant variations in house sizes across Housing Market Areas, with some, mainly rural areas, with a lower proportion of smaller houses. This is a particular issue in relation to demographic trends towards smaller, single person households and the impact of the under-occupation rules of private and social renters on low incomes who rely on housing benefit / Local Housing Allowance. There is a predominance of houses rather than flatted property. 6. In the social rented sector there is also a predominance of houses rather than flatted property.
Sustaining communities tenure diversification / regeneration	1. There are no major community regeneration initiatives required related to housing demand, with the exception of Caithness.

Estimated Need and Demand

LHS and Development Plan	Key Issues Identified in the HNDA
Existing need	1. We estimate that existing need (backlog) in Highland will require 2,144 stock additions to eradicate.
Household growth Headlines	1. Over the lifetime of the Local Housing Strategy, 6,349 households will require additional housing, equivalent to 6,930 new houses (including ineffective stock). 2. Over the lifetime of the Local Development Plan, 22,066 households will require additional housing, equivalent to 24,087 new houses (including ineffective stock). 3. As rules of thumb to help understanding: - around half of the new housing requires some degree of subsidy (although this proportion varies between housing market areas) - the private sector is split evenly between ownership and renting.
Owner Occupation	1. Over the lifetime of the Local Housing Strategy, 1,491 additional households will become owner occupiers. 2. Over the lifetime of the Local Development Plan, 5,381 additional households will become owner occupiers.
Private Rent	1. Over the lifetime of the Local Housing Strategy, 1,494 additional households will become private renters. 2. Over the lifetime of the Local Development Plan, 5,538 additional households will become private renters.
Below Market Rent	1. Over the lifetime of the Local Housing Strategy, there is potential for 895 households to take up below market rent properties. 2. Over the lifetime of the Local Development Plan, there is potential for 3,346 households to take up below market rent properties.
Social Rent	1. Over the lifetime of the Local Housing Strategy, 2,469 additional households will need social rented housing. 2. Over the lifetime of the Local Development Plan, 22,066 additional households will need social rented housing.

Specialist Provision

LHS	Specialist Provision - Key Issues Identified in the HNDA
Accessible and adapted housing	1. There is a relatively high proportion of adapted stock in Highland, particularly in the social rented sector. 2. The lowest proportion of adapted stock in in the private rented sector. 3. There is evidence of the need for accessible / adapted property, with a particular need for ground floor / level access housing. 4. The profile of the housing stock in Highland, where there is a greater proportion of houses / bungalows, provides the opportunity for in-situ solutions. 5. There is relatively good turnover of adapted property in the social rented sector with 46% of needs met through annual turnover. 6. Current needs are being met within current turnover and capacity to carry out adaptations. 7. Given population and demographic projections future needs are likely to require additional provision of new build, adaptations and related care at home / telecare services.
Wheelchair housing	1. There are significant numbers of people who require wheelchair accessible housing. 2. Need and current provision are currently concentrated in the social rented sector. 3. Demand can be met through adaptations and new build, with 64% of needs met through annual turnover of social rented property. 4. Future new build will increasingly include design features that make property easier to adapt to future needs. 5. Most people requiring wheelchair accessible housing are under 60. 6. We are currently unclear on the implications of population / demographic change for wheelchair accessible housing need
Non-permanent housing e.g. for students, migrant workers, homeless people, refugees, asylum seekers	1. The University of the Highlands and Islands (UHI) is the largest higher education provider within Highland. UHI had 2,963 students in 2013-14 (1,973 FTEs) on flexible study programmes, often distance learning from home. 2. UHI expects student numbers to grow, but the scale and pace of change is dependent on

	Government funding. The focus will continue to be on flexible and distance learning and UHI are building dedicated student accommodation to cope with increased numbers of residential students. 3. The nature of the student population is different from the national profile, reflecting the unique nature of UHI with more distance learning and a more mature students resulting in lower numbers of students living in HMO / communal student accommodation. 4. UHI are planning to manage the accommodation needs of increasing student numbers through a programme of new student accommodation. 5. An increase in student numbers could impact on the capacity of the Private Rented Sector. 6. There is an ongoing need to provide temporary accommodation for single homeless people. The number of homeless applications from homeless people is relatively stable, with the greatest concentrations in Inverness, Lochaber and mid-Ross. 7. The Council currently provides accommodation through a framework agreement with accommodation providers, but is moving away from this model and plans to provide 200 additional single person units for use as temporary accommodation through its new build programme. 8. There will be an increasing demand for single person accommodation as a result of demographic change and exacerbated by Welfare Reform. In future there is likely to be much greater competition for single person accommodation. 9. The Council's current policy of limiting the concentration of HMOs may affect supply of suitable shared accommodation to meet the needs of single person households, including students.
Supported Provision e.g. care homes, sheltered housing, hostels and refuges	1. The profile of care home residents is similar to Scotland as a whole but the average age of admission is lower than the national average. 2. Of those in long term care 47% are assessed as requiring long term nursing care, however there are lower proportions of current long term residents with conditions such as mental health, learning difficulties and acquired brain injury where different models of accommodation may be

required.

3. At present we are uncertain about the impact of demographic change on long term housing needs of care home residents
4. There is a relative shortage of extra care housing provision.
5. There is a demand for sheltered housing, but a need to review whether the current provision meets long term needs.
6. Sheltered Housing provision is not the preferred housing option for many older people.
7. As the older person population increases and there are much higher numbers of people aged 75+ demand for very sheltered, extra care and specialist accommodation models is likely to increase.

   The number of people requiring residential care is projected to increase 20% by 2020 (64 people per year) and by 109% by 2035 (88 people per year).
8. There is an opportunity to consider the development of specialist accommodation models that would suit some client groups currently in long term care.
9. Developing such models will help prevent or delay future admission to care home settings that might otherwise be an inevitable consequence of an aging population.
10. There will be an ongoing need to provide both temporary and permanent accommodation for women and children suffering from domestic abuse and other forms of violence against women.
11. Inevitably there will be insufficient client numbers to sustain area based services for all client groups in all areas, but this does have implications for clients and their families who will often have to move out of their local area to access services.

Residential Care

12. 2015 to 2020: The number of people in residential care is projected to increase from 1,616 to 1,937: an increase of 20%, or 64 people per year.

	13. 2015 to 2035: The number of people in residential care is projected to increase from 1,616 to 3,376: an increase of 109%, or 88 people per year.
Care/ support services for independent living at home e.g. home help, Handyperson, Telecare	1. Telecare provision per 1,000 of population is below the Scottish average, although NHS Highland intends to double provision in the next 3 years (to 2018). 2. Increasing telecare provision could impact on care home admission and the proportion of people with long term conditions living at home. 3. Increasing telecare provision depends on suitable housing supply / design. 4. The number of people receiving care at home is projected to increase by 20% by 2020 (70 people per year) and by 104% to 2035 (92 people per year). 5. The combined effect of an aging population, increased care at home / telecare provision and a desire to shift the balance of care from care homes to care at home is likely to have significant implications for housing supply, housing adaptations and home based care and support services.
Site provision e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople	1. We estimate the Gypsy/Traveller population in Highland to be around 415 individuals across 130 households. While this is a small proportion of the resident population (0.2%) the 2011 Census indicates that Highland has the third largest Gypsy/Traveller population in Scotland in terms of share of the total population. 2. Gypsy/Traveller accommodation options in Highland include four Council sites providing a total capacity of 47 pitches. Other accommodation options for Gypsy/Travellers in Highland include bricks and mortar housing and roadside encampments. 3. Available data shows an average of 52 unauthorised encampments per annum, with activity peaking during the June to August period. The size of encampments varies widely, but most consist of 3-6 caravans. 4. Gypsy/Traveller encampments take place across most parts of the Highland area, but the largest volume of activity is focused in the Inverness & Inner Moray Firth and Skye areas.

Development Plan	Specialist Provision: Key Issues Identified in the HNDA
Strategic planning for housing for Specialist Provision housing e.g. any additional locational/ spatial considerations.	1. Given the potential for growth at the new Inverness campus, and delays providing dedicated accommodation in the City, there is a possibility of increased pressure on the private rented sector and HMOs. Our HMO policy is to be reviewed as part of our next local Development Plan. 2. There is a large projected increase in the number of older single person households – and therefore in the need for specialist and adapted housing – during the lifespan of our plans. 28.6% increase in single households over 85s (166 households per year to 2020) and 11.5% 65-84 year olds (137 households per year to 2020).
Site provision e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople	1. 50-65 Gypsy/Traveller households are expected to have a need for permanent site accommodation over the 5 year period 2014 - 2019. This is expected to be focused on Inverness and Spean Bridge, but also includes accommodation needs at Newtonmore and Skye. 2. Projected supply at existing Council sites over this period is 65 – 70 pitches which equates to capacity to meet additional demand of around 0 to 20 pitches (0-4 per annum) over this period. This suggests that across the Highland area as a whole current levels of site provision are likely to be sufficient to meet needs. 3. However the balance of need is likely to be quite different at a local level, such that some areas may see more substantial surplus or shortfall in Gypsy/Traveller provision. In particular there is a larger projected surplus in Inverness, and an estimated shortfall of 5-6 places in Skye – where there is currently no permanent Gypsy/Traveller accommodation provision.