

Agenda Item	4.
Report No	PEO 26/17

HIGHLAND COUNCIL

Committee: People Committee

Date: 19 October 2017

Report Title: Local Housing Strategy

Report By: Director of Community Services

1. Purpose/Executive Summary

- 1.1 This report presents the Council's Local Housing Strategy for the next 5 years. The report summarises the background to, and content of, the Strategy. The full Strategy is attached as an **Appendix** to this report.

2. Recommendations

- 2.1 Members are asked to Approve the Council's Local Housing Strategy 2017-2022.

3. Background

- 3.1 The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to produce a Local Housing Strategy which sets out its priorities and plans for the delivery of housing and related services. The Act also states that the strategy must be supported by an assessment of housing provision and related services.
- 3.2 Increasing the supply of homes is a national performance indicator and a high priority for both the Council and the Scottish Government. The Local Housing Strategy sets out our approach to delivering high quality housing and housing related services across all tenures, to meet identified need in its area.
- 3.3 The Housing Need and Demand Assessment (HNDA) is a key part of the evidence base for both the Local Housing Strategy and Strategic and Local Development Plans, and it is used to inform the Council's Housing Supply Target.
- 3.4 The Community Services Committee considered a draft Local Housing Strategy in January 2017. This was submitted to the Scottish Government for peer review, feedback from which was received in June 2017. We also consulted on the draft strategy.
- 3.5 Since then, amendments have been made to take account of the comments received from peer review. The final draft strategy is attached as an **Appendix** to this report. Committee is asked to approve this as a Council's Local Housing Strategy.

4. Local Housing Strategy

- 4.1 The key objective of the Council's Local Housing Strategy is that everyone should have a good quality home that they can afford to live in and heat. Good quality, affordable housing helps people to enjoy better health and achieve their full potential. Good housing also contributes to stronger communities that benefit everyone living in them.
- 4.2 The Highland Housing Strategy sets out our vision for housing over the next 5 years and what we will do to:
 - increase the supply of homes in Highland so that we have enough houses in the right places to meet housing needs;
 - contribute to the effective integration of health and social care so that housing design and delivery of housing and housing related services meet the changing needs of individuals;
 - prevent and respond to homelessness and make sure people have the right help to let them make decisions on their housing options; and
 - improve the condition of housing and minimise fuel poverty to improve the quality, comfort and affordability of homes.
- 4.3 The Local Housing Strategy has been developed collaboratively through the Highland Housing Strategy Group. This is the main partnership / stakeholder group for housing strategy and includes:
 - Council Planning, Development and Housing Services;
 - Registered Social Landlords;
 - Developers;
 - Cairngorm National Park Authority; and

- NHS Highland

- 4.4 The Local Housing Strategy and Development Planning processes have been coordinated, specifically in relation to developing housing supply targets, through the Housing Need and Demand Assessment. We consulted widely on the Highland Local Development Plan and the main issues for Local Housing Strategy in a series of public events during September to November 2015. Feedback informed the draft Local Housing Strategy.
- 4.5 There has been collaboration with NHS Highland on developing the housing contribution to the Highland Adult Services Strategic Commissioning Plan.
- 4.6 We have also worked with the Cairngorm National Park Authority over the links between the Local Housing Strategy, Local Development Plan and the Cairngorm National Park Development Plan, which sets out an approach to meeting housing need within the park.

5. Consultation

- 5.1 There was wide stakeholder involvement in preparing the draft strategy reported to Committee in January. This was carried out jointly through the development plan consultation process. Following finalisation of the draft strategy, consultation took place mainly through the Council website. A consultation page and on-line feedback form was available between June to September 2017. Over 850 people viewed the Strategy on-line with over 650 unique viewers and 58 people completing the on-line surveys. In total 87% of respondents agreed with the key aims of the strategy. There were a number of individual comments and suggestions about future priorities within these overall aims. These largely fell into the following categories:

- suggestions about increasing access to housing through the Highland Housing Register policy;
- increasing housing supply and focussing on the links between employment and housing;
- meeting local housing needs, particularly in rural communities;
- issues of the balance between second / holiday homes and permanent accommodation for local people;
- quality and enforcing standards in the Private Rented Sector;
- energy efficiency / fuel poverty; and
- links between homelessness and public health.

6. Implications

- 6.1 Resources: There are no direct implications arising from this report. The Council and partners' ability to deliver the strategy will depend on resources as well as a number of policy and practice considerations.
- 6.2 Legal: There are no implications arising from this report.
- 6.3 Community (Equality, Poverty and Rural): Implementing the Local Housing Strategy will help us meet our equality duties on disability, gender and race. These require public authorities to involve, consult and engage with communities as widely as possible. The Strategy recognises and aims to respond to the unique issues and challenges involved

in developing housing and housing services in remote and rural areas.

- 6.4 Climate Change/Carbon Clever: The Council's approach to energy efficiency and fuel poverty are contained in the strategy.
- 6.5 Risk: There are no implications arising from this report.
- 6.6 Gaelic: There are no implications arising from this report.

Designation: Director of Community Services

Date: 6 October 2017

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Highland Council

Local Housing Strategy

2017/2022

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Chapter 1

1 INTRODUCTION

The Housing (Scotland) Act 2001 places a duty on local authorities to prepare a Local Housing Strategy (LHS) supported by an assessment of housing need and demand. Scottish Government Guidance was issued in August 2014 to assist authorities in preparation of their LHS.

Highland's LHS 2016-2021 builds on the success of previous strategies and supports the Scottish Government's vision for housing. It provides a shared understanding of the strategic direction to tackle housing need and demand and to inform future investment in housing and related services across the local authority area. It deals with all aspects of housing and related services, including: specialist housing provision to support health and social care outcomes; homelessness and housing support; house conditions; and fuel poverty.

The Strategy covers all housing tenures including: social renting, owner-occupation, "intermediate housing" options such as low cost home ownership and mid-market renting and the private rented sector.

1.1 Our Vision

Housing is one of life's basic needs. Everyone should have a good quality home that they can afford to live in and heat. Good quality, affordable housing helps people to enjoy better health and achieve their full potential. Good housing also contributes to stronger communities that benefit everyone living in them.

The Highland Housing Strategy sets out our aims for housing over the next 5 years and what we will do to:

- Increase the supply of homes in Highland so that we have enough houses in the right places to meet housing needs.
- Support people to live independently for as long as possible in their own homes and communities.
- Prevent and respond to homelessness and make sure people have the right help to let them make decisions on their housing options.
- Improve the condition of housing and minimise fuel poverty to improve the quality, comfort and affordability of homes.

1.2 National and Local Context

The Local Housing Strategy will support the delivery of national priorities and outcomes set by Scottish Government within the wider community planning framework, and help to deliver agreed Scottish Government targets.

The following diagram illustrates the context in which the LHS will be delivered in relation to national and local priorities, plans and strategies.



1.3 National Priorities

The Scottish Government's Performance Framework and Programme for Government sets out a clear vision for the country. Homes Fit for 21st Century, *Achieving a Sustainable Future* (both 2011) and the Joint Housing Delivery Plan for Scotland 2015 set out the national strategy for housing. The **vision statement** of these plans is:

- ***all people in Scotland live in high quality sustainable homes that they can afford and that can meet their needs; and***
- ***a Scotland where our most disadvantaged communities are supported and that all places are sustainable and promote well-being.***

1.4 Local Priorities

As well as supporting delivery of national housing policy objectives the Local Housing Strategy also supports the delivery of local priorities identified in a number of strategic documents summarised below.

1.5 Community Planning

Community Planning Partners in Highland are currently reviewing and implementing arrangements as required by the Community Empowerment Act.

A Local Outcome Improvement Plan (LOIP) will replace the current Single Outcome Agreement, and will demonstrate how the Partnership will respond to national outcomes. The LOIP will outline key local priorities for improving outcomes and tackling inequalities. The first plan is due in October 2017.

Locality Plans will be developed at a local level in order for partners to tackle inequalities for communities facing disadvantage and make it easier for community bodies to be involved. The Partnership has agreed that there will be 9 Community Partnerships, and these largely match existing Housing Market Area. The first Locality Plans are expected by October 2017.

The Local Housing Strategy will be used to inform the content of these local plans and the Strategy will contribute to the partnership approach to assist in delivering the overall Scottish Government vision of promoting a wealthier, fairer, smarter, healthier, safer, stronger and greener Scotland.

1.6 Highland Integration Scheme: Health and Social Care

The Local Housing Strategy is aligned with NHS Highland Strategic Plan for health and social care and will contribute to achieving the ***vision statement*** of the Highland Integration Scheme:

“The Highland Partnership of NHS Highland and the Highland Council, is committed to achieving the best possible outcomes for our population and service users. We believe that services should be person-centred and enabling, should anticipate and prevent need as well as react to it, should be evidence based and acknowledge risk.”

1.7 Local Development Plans (LDPs)

The Local Housing Strategy is linked to the Local Development Plan process through the assessment of housing requirements and ensuring a generous supply of land for housing. The Housing Estimate Outputs from the Housing Needs and Demand

Assessment inform Housing Supply Targets for both the Local Housing Strategy and the Local Development Plans (LDPs) of Highland Council and the Cairngorms National Park Authority. The revised Highland Local Development Plan is expected to be adopted in 2017. The current Cairngorms National Park Local Development Plan was adopted in 2015, and a revised Local Development Plan is expected to be adopted by 2020.

1.8 Strategic Housing Investment Plans (SHIP)

The SHIP identifies housing investment priorities across Highland. The main purpose of the SHIP is to ensure resources available from the Scottish Government Affordable Housing Supply Programme are effectively targeted to deliver new and improved housing to meet local priorities.

Preparation and delivery of the SHIP involves partnership between a range of stakeholders including Registered Social Landlords (RSLs), Scottish Government, Private Developers, NHS Highland and other Council Services. There are well-established and effective partnership working arrangements in place to help facilitate delivering and implementation of Highland's Local Housing Strategy and SHIP outcomes.

1.9 Cairngorms National Park Authority (CNPA)

Over a third of the Cairngorms National Park area is in the Highlands, covering most of Badenoch and Strathspey. The current National Park Partnership Plan sets out the strategic direction and priorities for the National Park over a five year period from 2012 – 2017. It is reviewed every five years to ensure that it adapts to changes and different priorities, and a new National Park Partnership Plan is expected to be adopted in 2017 to cover the period 2017 – 2022. The CNPA has co-ordinated engagement with key partners and communities to help identify the priorities for the National Park Partnership Plan, which involves the often difficult balance between meeting housing needs and conservation within this unique environment. The National Park Partnership Plan provides the strategic context for the Cairngorms Local Development Plan which, as identified above, plays a key role by establishing the Housing Supply Target and the Housing Land Requirement for the National Park area. For the purposes of this Strategy, the Cairngorms National Park will be Badenoch and Strathspey Housing Market Area.

1.10 City Deal

Scotland cities and city regions are recognised as drivers of economic growth. If cities are to do this and are to be a catalyst to improved economic performance, infrastructure investment in their physical assets is required. In the short-term, the activity supported by new investment provides a boost to economic growth, construction output and employment, while over the long-term the assets provided by the capital investment are key drivers of productivity, competitiveness and long-term economic growth.

A tripartite agreement has been signed between the United Kingdom Government, the Scottish Government and The Highland Council under the City Regions Deal. In

Highland the initiative aims to contribute to the long term productivity and economic growth of the region by investing in vital infrastructure, fostering innovation, supporting regional skills development and promoting tourism. In terms of the Local Housing Strategy it aims to facilitate and enable 6,000 new houses over 20 years of which 1,800 will be affordable homes.

1.11 Armed Forces Covenant

The Highland Council is part of the Highland Armed Forces Community Covenant along with the Armed Forces Community and other statutory and voluntary agencies. The Covenant recognises the role of the armed forces community within the wider Highland community and aims to support integration across a number of areas, including housing.

1.12 Partnerships

The Local Housing Strategy could not be delivered by the Council alone, and requires a wide range of partners to ensure it is delivered effectively. The Strategy has been developed in partnership with a wide range of public, private and third sector partners.

The Highland Council links with other statutory agencies and partners to progress a range of joint activities. Key partnership Arrangements in relation to Housing are as follows:

Highland and Islands Liaison Group and Scottish Empty Homes Partnership, the North and Islands Housing Options Hub and participate in Scottish Housing Best Value Network (SHBVN).

In developing Highland's Housing Strategy, the following principles have been integral to our work and are embedded in our approach: -

Group	Remit
Housing Strategy Group	Strategic lead for developing, monitoring and Reviewing the Local Housing Strategy.
Housing Market Partnership	Lead role in developing Housing Need and Demand Assessment, data analysis and housing supply targets.
Housing Development Hub	Highland Wide coordination and management of Highland Affordable Housing Programme.
Local Development Forums	Local partnership meetings to discuss site specific issues and delivery of affordable housing across partners at local level.
NHS Highland Strategic Commissioning Group	Considers service priorities and approaches to providing adult social care, including the housing contribution.

Group	Remit
Care and Repair Working Group	Policy and practice forum to co-ordinate and lead delivery of local care and repairs services.
Affordable Warmth Partners Group	Considers partnership actions to maximise energy efficiency and reduce fuel poverty.
Health and Homelessness Partnership Group	Considers actions to prevent and respond to homelessness, and to reduce health inequalities.
Area Tenant Forums	To obtain input from tenants and residents on housing management and investment issues.
HHR Management Group	Considers joint housing issues across Highland registered social landlords, with the main focus on governance of the Highland Housing Register / common housing allocation policy.
North and Islands Homelessness HUB	Shares good practice and cooperates over joint planning in relation to homelessness services across the Highland, Aberdeen, Aberdeenshire, Moray and all three Island Council areas.

1.13 Equality Statement

Highland Council is committed to the requirements of the Equalities Act 2010, ensuring that people are not discriminated against on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex or sexual orientation. Equality and fairness are at the core of the way we create and deliver a wide range of essential services to Highland communities – including housing.

We have carried out a full Equalities Impact Assessment on the Local Housing Strategy and assessed the likely impact of our strategic approaches on particular sectors of the community in relation to equality. A copy is available on the Highland Council Website.

The role of the Local Housing Strategy is to ensure all housing needs are identified and met, and Council policies aimed at implementing the strategy are subject to Equality Impact Assessments. The implementation of this Strategy will help the Council to achieve its equality objectives.

Chapter 2: The Context for Housing in the Highlands

2.1 Highland Council Area

The Highland Council area covers a third of the land area of Scotland, including the most remote and sparsely populated parts of the United Kingdom.



2.2 Population

The results from the 2011 Census showed a population of just over 232,000, which had increased to nearly 233,000 by mid-2013. It also has the lowest population density in Scotland, at 9 persons per km on average. Highland generally has an older population profile than that of Scotland with a slightly higher percentage of children. It is a region of contrasts between urban and rural, as well as between affluence and poverty

2.3 Highland Housing Market Areas

Housing Market Areas (HMAs) are geographical areas where the demand for housing is relatively self-contained. Given the geography and diversity of the Highlands there are a number of distinct Housing Market Areas. The Highland Housing Strategy Group identified 10 distinct local housing market areas in Highland and these formed the basis of the housing market analysis undertaken in the Highland Housing Need and Demand Assessment (HNDA, 2015). These are shown on the map below. There is limited housing market interaction between Highland and neighbouring Councils.



2.4 Main Towns

This table includes main towns plus selected smaller settlements providing locally important services.

Housing Market Area	Main Settlement	Population
Badenoch and Strathspey	Aviemore	3,150
	Grantown on Spey	2,440
	Kingussie	1,450
Caithness	Thurso	7,760
	Wick	7,140
East Ross	Alness	5,700
	Invergordon	4,130
	Tain	3,690
Inverness	Inverness	61,650
	Fort Augustus	670
Lochaber	Fort William	10,450
	Mallaig	780
Mid Ross	Dingwall	5,520
	Conon Bridge / Maryburgh	2,890
	Muir of Ord	2,620
Nairn	Nairn	9,860
Skye and Lochalsh	Broadford	760
	Portree	2,410
	Kyle of Lochalsh	650
Sutherland	Brora	1,290
	Dornoch	1,270
	Golspie	1,410
	Kinlochbervie	410
West Ross	Gairloch	621
	Lochinver	436
	Ullapool	1,510

2014 Mid- year Estimates for Settlements provided by NRS.

Based on the Scottish Government's 6-fold Urban-Rural classification of areas proportions of areas falling into each category are as follows:

Local Authority	Large Urban Areas %	Other Urban Areas %	Accessible Small Towns %	Remote Small Towns %	Accessible Rural %	Remote Rural %
Highland	0.0	30.2	4.2	15.9	11.7	37.9
Scotland	34.5	35.1	9.3	3.4	11.7	6.1

2.5 Economy

One of the main reasons for continued successful net inward migration to Highland is the establishment of new areas of economic growth.

Traditionally dependent on agriculture, forestry and fishing, construction, and tourism, the economic base has broadened over recent years. There is now a greater prominence given to growing renewable energy markets, life sciences, financial and business services, tourism, food and drink, creative industries.

Distinctive features of the Highland economy are:

- a third of jobs in Highland are based in Inverness City;
- fewer people in Highland have full time jobs – 63% in Highland in comparison to 67% in Scotland;
- there is a higher level of self-employment in rural areas. In Skye this is 19%, Wester Ross, and Lochalsh 18%, North West and Central Sutherland 16%. In urban areas such as Inverness, Thurso and Wick it is around 6% to 9%. This averages at 11% in Highland in comparison to 7.5% in the rest of Scotland (2011 Census).
- there is a higher dependency on public sector jobs, 29% in Highland compared to 26% for Scotland.
- 62% of the population in Highland are of working age (16 - 64) which is lower than the proportion to Scotland overall (65%).
- whilst generating a reasonable proportion of Scotland's output economic growth is slightly lower than nationally.

The 2011 census identified 28.5% of the working age population (16-64) as inactive, compared to 31% for Scotland. This varies significantly between HMAs

The Scottish Index of Multiple Deprivation (SIMD) 2012 indicates that 25 out of Highland's 292 datazones are among Scotland's most 20% deprived areas, and multiple deprivation continues to persist in these concentrated areas. In rural and remote areas, poor and excluded households are often more dispersed, and the SIMD will tend to underestimate rural deprivation in sparsely populated areas.

In view of this, since 1999 Highland Community Planning Partners have used a local 'Index of Fragility' to aid policy making in rural areas. This identifies several remoter rural areas as being 'fragile' and at risk of long term decline due to their population loss and disproportionate level of low incomes, limited employment opportunities and remoteness.

The report 'Minimum Income Standard for Remote Rural Scotland' also proposes that the budget households need to achieve a minimum acceptable living standard in remote rural Scotland are typically 10-40 per cent higher than elsewhere in the UK.

Chapter 3: Housing Market Analysis

3.1 Key Housing Market Drivers

The key housing market drivers affecting Highland are analysed in the Housing Need and Demand Assessment. These are summarised below.

Demographic issues:

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.

Affordability issues for the local housing market(s)

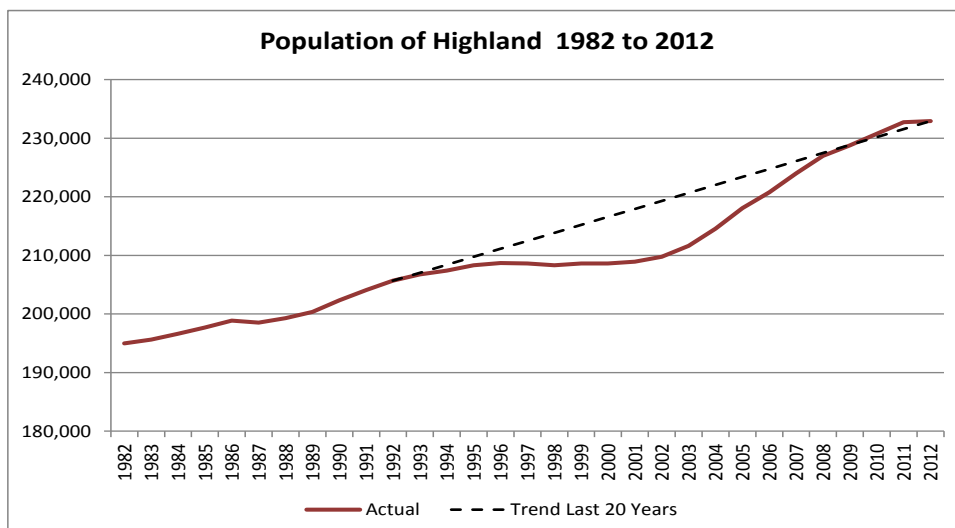
1. The credit crunch had a significant impact on the housing market in Highland, dampening house price inflation and reducing the volume of open market sales.
2. The Help to Buy Scheme helped increase the supply of new homes but it will end in 2016 and developer confidence is falling as a result.
3. 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.

3.1 Recent Demographic trends

The population of Highland has risen steadily since the mid-twentieth century, growing from 192,000 in 1981 to 232,910 in 2012. In line with the rest of Scotland this period has seen an ageing population with the percentage aged 65 and over rising from 14% in 1981 to 19% in 2011. The proportion of households aged 65+ tends to be above the national average.



Source: National Records of Scotland Mid-Year Estimates

There are variations in population trends between Housing Market Areas in Highland with Inverness, Badenoch and Strathspey and Nairn growing by around a quarter in the last 10 years, but marginal decline in Caithness.

There have also been changes to the age profile across Housing Market Areas. Although the population is ageing, the main feature over the last 20 years has been movement from the 15 to 44 age group to the 45 to 64 age group. However, the “baby boom” generation born in the late 1940s and 1950s is moving into retirement age and we expect to see the beginning of a step change in the mid-2020s as this generation moves through their 70s, and the need for care and perhaps specialist housing increases.

We are aware that specialist housing provision is not the only way in which to address the housing needs of an aging population. Many people are living healthy lives for longer and we want to ensure that accessible housing options are available through adaptations, tele-healthcare to help people live for longer at home and that people have advice and help for making their own long term housing plans.

The 16 to 44 age group is considered to be particularly important for our future population as this is where most new household formation and initial demand for housing takes place. There is a significant variation between our ‘youngest’ Housing Market Area of Inverness where 38% of the population are aged between 16 and 45 and the ‘oldest’ Housing Market Areas of Skye and Lochalsh, Sutherland and West Ross where between 26% and 28% are in this age group.

One notable feature of Highland life is the drift of young people away from rural areas to find improved job prospects, often in Inverness or the wider Inner Moray Firth area, or to further and higher education. This means that the percentage of the population in the 16 to 20 age group tends to be below the Scotland average in these areas. In the longer term this could have implications for our ability to recruit and train younger people in caring services to help address the wider issue of an aging population.

The net result is that the population base in Inverness is more sustainable with a relatively consistent demand for housing through time whereas in more rural areas, with a greater proportion of older people population growth may slow and even decline locally without strategic interventions, with a fall in the demand for housing and a marked increase in housing for the elderly.

There is a lower proportion of people from minority ethnic backgrounds in Highland (1.4%) compared to Scotland as a whole (4%), with the proportions of people from Asian, Chinese and African ethnic origin particularly underrepresented. Proportions of people from different ethnic origins are similar across all Highland Housing Market Areas.

Highland is dependent on inward migration for population growth, and without positive inward migration we will see the population begin to decline at an increasing rate. Net migration tends to be cyclical, loosely tied to wider economic profiles, averaging 870 per year over the last 20 years.

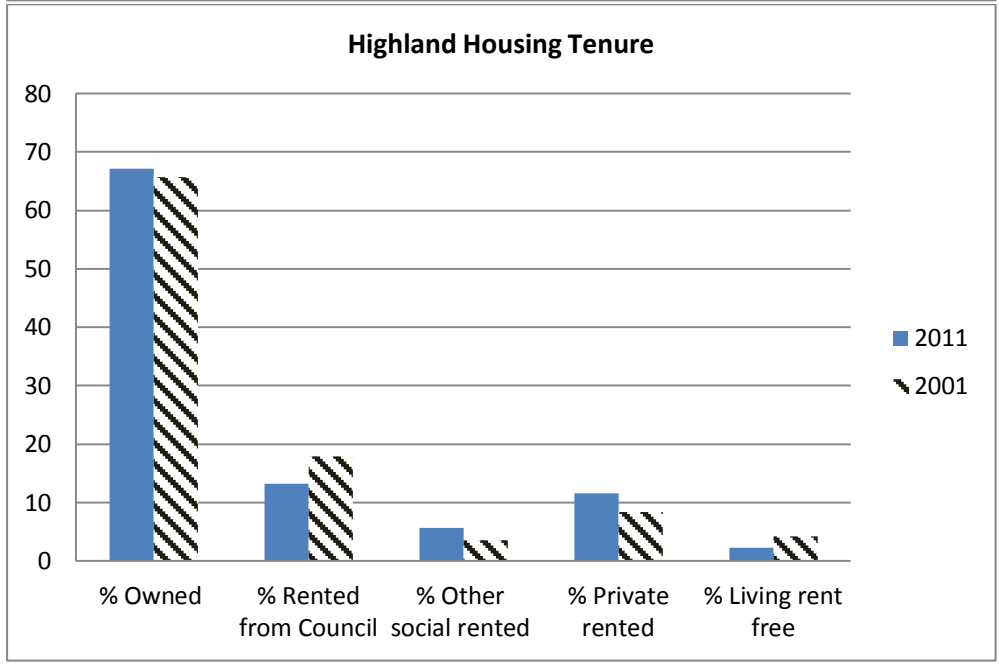
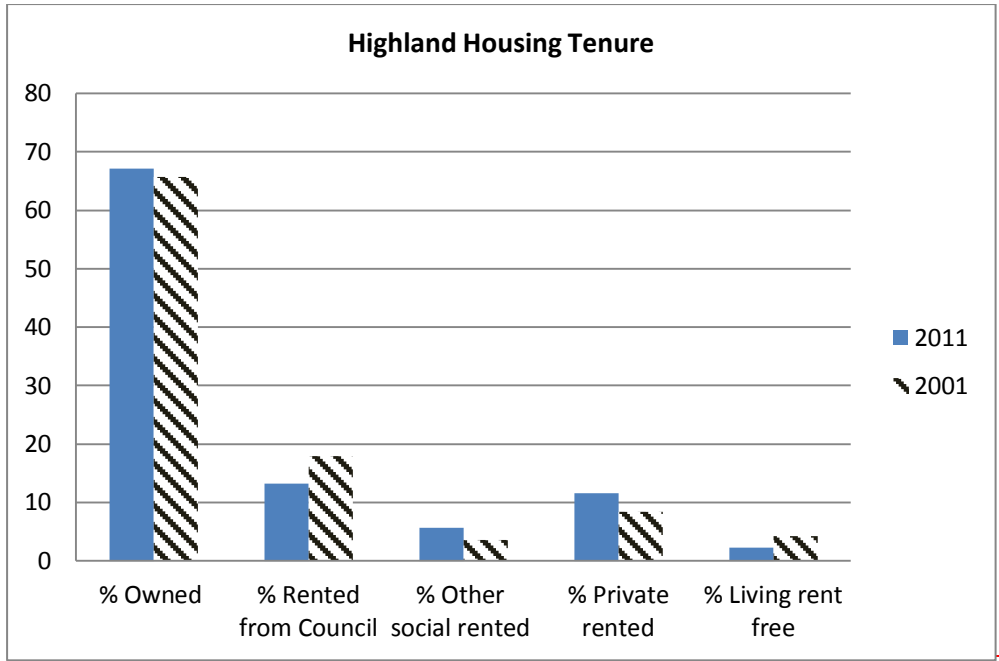
The following table shows how the household composition is expected to change between 2012 and 2037, with the trend a continued reduction in household sizes.

Projected Changes in Household Composition 2012 to 2037 (%)

	1 person male	1 person female	2 person adult	2 person single parent	3+ person all adult	3+ person single parent	3+ person2 adult + children	Total
2012 Highland	15	18	34	3	8	3	20	100
2037 Highland	18	19	35	4	6	3	15	100

3.2 Housing Tenure

Highland has a housing stock of approximately 102,091 dwellings. Changes in tenure between the 2001 and 2011 censuses are shown below. Owner occupation remains the most prominent tenure at 68% with social renting at 19%, whereas the private rented sector rose to 10% in 2011.



There are variations in tenure balance between Housing Market Areas, with owner occupation being over 70% in Mid Ross, Skye and Lochalsh and West Ross. Social renting is more prominent, at over 20% in Caithness, Easter Ross and Lochaber.

3.3 Social Renting

Between 2001 and 2011, there was a 23% decrease in the number of social rented houses in Highland as a result of the Right to Buy. This trend will be reversed with the abolition of the Right to Buy from 2016 and the continuing priority being given by the Scottish Government to affordable housing supply we expect to see an increase in social rented housing over the next 5 years.

The table below gives a picture of house sizes across the social rented sector. This shows that there are quite different profiles across housing market areas, with a notable feature the relatively low percentage of smaller, 1 bedroom properties in Lochaber, East Ross and Mid Ross, with East-Ross particularly affected as it also has a low proportion of 2 bedroom properties. There is also a notably low proportion of 3 bedroom properties in Badenoch and Strathspey.

	1 bed		2 bed		3 bed		4+ bed		Total
Badenoch & Strathspey	263	30%	430	49%	161	18%	24	3%	878
Caithness	786	27%	1,168	41%	791	28%	122	4%	2,867
East Ross	500	18%	911	33%	1,216	44%	164	6%	2,791
Inverness	1,674	29%	2,578	44%	1,451	25%	123	2%	5,826
Lochaber	194	10%	1,002	52%	662	35%	58	3%	1,916
Mid Ross	389	22%	818	45%	521	29%	74	4%	1,802
Nairn	302	33%	365	40%	216	24%	25	3%	908
Skye & Lochalsh	281	26%	436	40%	337	31%	35	3%	1,089
Sutherland	353	32%	415	37%	337	30%	8	1%	1,113
West Ross	117	27%	184	42%	122	28%	11	3%	434
Highland	4,859	25%	8,307	42%	5,814	30%	644	3%	19,624

At 1 April 2014 there were 7,851 applicants on the Highland Housing Register, of which 75% were general applicants and 25% existing tenants wanting to transfer. There has been a reduction in housing applications over the last 2 years mainly due to reviews of the register.

The table below summarises housing demand by property size for each housing market area:

	1 bed		2 bed		3 bed		4 & more beds		Total applicants
Badenoch & Strathspey	252	59%	90	21%	70	16%	14	3%	426
Caithness	218	58%	119	31%	26	7%	15	4%	378
East Ross	403	58%	165	24%	71	10%	52	8%	691
Inverness	1,851	60%	704	23%	387	13%	150	5%	3,092
Lochaber	412	55%	220	29%	86	11%	34	5%	752
Mid Ross	465	58%	198	25%	92	12%	42	5%	797
Nairn	252	61%	100	24%	42	10%	21	5%	415
Skye & Lochalsh	293	67%	93	21%	31	7%	21	5%	438
Sutherland	137	63%	50	23%	22	10%	9	4%	218
West Ross	124	65%	38	20%	22	12%	7	4%	191
Highland	4,407	60%	1,777	24%	849	11%	365	5%	7,398

This shows that the bulk of demand in numerical terms is for Inverness, where 40%

of applicants want to live. There is a similarity in the profile of housing size required across areas with on average 60% of applicants requiring a 1 bedroom property; 24% a 2 bedroom property and 11% a 3 bedroom property.

Comparing the size requirements of existing applicants with current stock and turnover illustrates the mismatch between supply and demand for different property sizes.

Stock size is important in the context of a growing number of single person households and an aging population. Recent practice by providers has often been to favour building two bedroom properties for single people rather than one bed – particularly for clients with significant care needs – as this allows a carer to stay and also gives space for specialist equipment.

Similarly there is considerable pressure on 1 bedroom properties. Historically, social landlords have attempted to address this particular mismatch by allocating 2 bedroom houses to households with a 1 bedroom need. Since the introduction of the Under-Occupancy rules in relation to Welfare Reform it has been more difficult to do this without affecting entitlement to housing benefit.

The impact of both welfare reform and demographic changes resulting in an increasing proportion of smaller households are likely to place additional pressure on 1 bedroom properties in future.

3.4 Private Rented Sector

There are over 9,000 private rented sector landlords' properties in Highland, with 10% of households living in the sector. There are higher levels of private renting in Badenoch and Strathspey, Inverness and Nairn (all 10% or more), and lower levels in Caithness, East Ross and Skye and Lochalsh (all under 6%). Within the private rented sector most landlords have a small number of properties; the average is 1.2 properties per registered landlord. The percentage of private renting has risen over the last 10 years, with a higher level of growth in some areas of Inverness. Within the Private Rented Sector there are 248 Licensed Houses in Multiple Occupation in Highland, the majority of which are in the Inverness Housing Market Area.

3.5 Owner Occupation

Owner occupation remains the tenure of choice for most people in the Highlands. Access to owner occupation depends on the availability of houses on the open market and the price of those houses relative to household income. Where housing becomes unaffordable for lower income households greater demand is placed on other tenures.

The combination of high average house prices and lower average incomes combine to effect housing affordability. We can assess affordability using a combination of the income and house sales data described above, using the benchmark of a mortgage for a lower quartile price house that is 4 times the lower quartile joint household income. Using this approach buying modest housing is beyond the reach of households with low incomes across most of the Highlands.

3.6 Ineffective Stock

Highland has a higher proportion of ineffective stock (8.4%) than the rest of Scotland due mainly to the number of holiday and second homes in rural areas. The table below shows that the highest percentages of second/ holiday homes are in Skye & Lochalsh (17.2%), West Ross (15.5%) and Badenoch & Strathspey 14.7%.

Area	All Dwellings	Occupied Dwellings	% Second Homes	% Vacant	% Ineffective
Badenoch and Strathspey	7,143	5,951	14.7	1.9	16.7
Caithness	12,808	12,025	2.8	3.4	6.1
East Ross	9,890	9,413	1.9	2.9	4.8
Inverness	35,866	34,353	1.7	2.5	4.2
Lochaber	9,814	8,620	10.3	1.9	12.2
Mid Ross	10,163	9,723	1.3	3.1	4.3
Nairn	5,913	5,695	1.2	2.5	3.7
Skye and Lochalsh	7,103	5,746	17.2	1.9	19.1
Sutherland	7,789	6,518	12.0	4.3	16.3
West Ross	4,951	4,047	15.5	2.7	18.3
Highland	111,440	102,091	5.7	2.7	8.4
Scotland	2,473,881	2,372,777	1.5	2.6	4.1

Chapter 4: Highland Housing Supply Target

4.1 Housing Supply Target

Housing is crucial to the growth of the Highland economy and the sustainability of its communities, and the ability to provide the right types housing, in the right places to meet local needs, is fundamental to Highlands LHS.

This chapter explains how the Council has assessed housing need and demand, and used this assessment to inform our approach to establishing the type and level of housing that needs to be delivered over the next 5 years.

We know that new household formation is expected to continue to increase between 2012 and 2037, and the trend is for the continued reduction of household sizes.

In continuing to encourage growth, the Council's policies are closely aligned to those of the Scottish Government. As such, Highland's Housing Supply Targets take into account the requirement to ensure a generous supply of land in the Local Development Plan, and the housing supply targets set out below are consistent with those used in the Highland Council's Local Development Plan. The Cairngorms National Park Local Development Plan is responsible for establishing the appropriate housing supply target and housing land requirement for the area within the National Park, drawing on the evidence provided by the Housing Need and Demand Assessment.

The Highland Single Outcome Agreement contains a commitment to work with developers to enable 5,000 new homes to be built over a five year period to 2017 and we are on target to achieve the target which is also accompanied by a commitment to create 5,000 new jobs. The housing target was perceived to be relatively modest when it was set in 2012, when we were still recovering from the 2008 credit crunch.

A key feature of the population and household projections produced by National Records of Scotland used in the Housing Need and Demand Assessment model is that they are based on the continuation of recent trends and, for the key parameter of migration, they are based on the average of the five years prior to the projection base year. For the 2012 projections this is the period mid-2007 to mid-2012 which spans the credit crunch and recession. These economic factors had a significant impact on migration to and from Highland during the period. The net result is that the three migration scenarios used by National Records of Scotland are lower than their equivalents in previous projections.

Throughout the preparation of the Housing Need and Demand Assessment a significant concern of the Highland Housing Market Partnership and Housing Strategy Group has been that the 2012 based population and household projections suggest a potentially lower rate of household growth than we have seen historically.

Housing Need and Demand Assessment guidance is that housing supply targets in the Local Housing Strategies and Local Development Plans should be a policy based interpretation of the standard model outputs.

For that reason the Highland Housing Market Partnership and Housing Strategy Group took the view that the Local Housing Strategy should be based on a 'continuing growth' scenario, which assumes that the economy and population will continue to grow at rates we have seen over the last 20 years, whilst also taking into account the impact of ageing population.

The table below compares the need for social rented housing and total housing requirement across tenure by Housing Market Area for the low, principal, high and continued growth scenarios.

Comparison of Scenarios - Need and Total Requirement, Five Years Starting 20015/16 (for the Local Housing Strategy)

	Need (Social Rented)				Total Requirement			
	Low	Principal	High	Continued Growth	Low	Principal	High	Continued Growth
Badenoch & Strathspey	113	120	132	156	277	305	348	438
Caithness	51	63	76	89	113	158	207	254
East Ross	174	189	202	238	341	394	443	578
Inverness	843	889	938	1,096	1,909	2,090	2,284	2,904
Lochaber	145	158	172	193	266	312	361	438
Mid Ross	190	205	218	256	391	448	497	644
Nairn	89	100	117	138	173	208	273	348
Skye & Lochalsh	113	121	131	149	221	251	287	350
Sutherland	48	58	69	80	98	130	168	204
West Ross	65	70	75	75	159	176	194	193
Highland	1,831	1,973	2,130	2,469	3,948	4,472	5,062	6,349

Source: Highland Council Analysis

The following table sets out housing supply targets based on continued growth:

Continued Growth Scenario: Additional Housing Units by Tenure and Housing Market Area 20015/16 to 2019/20 (for the Local Housing Strategy)

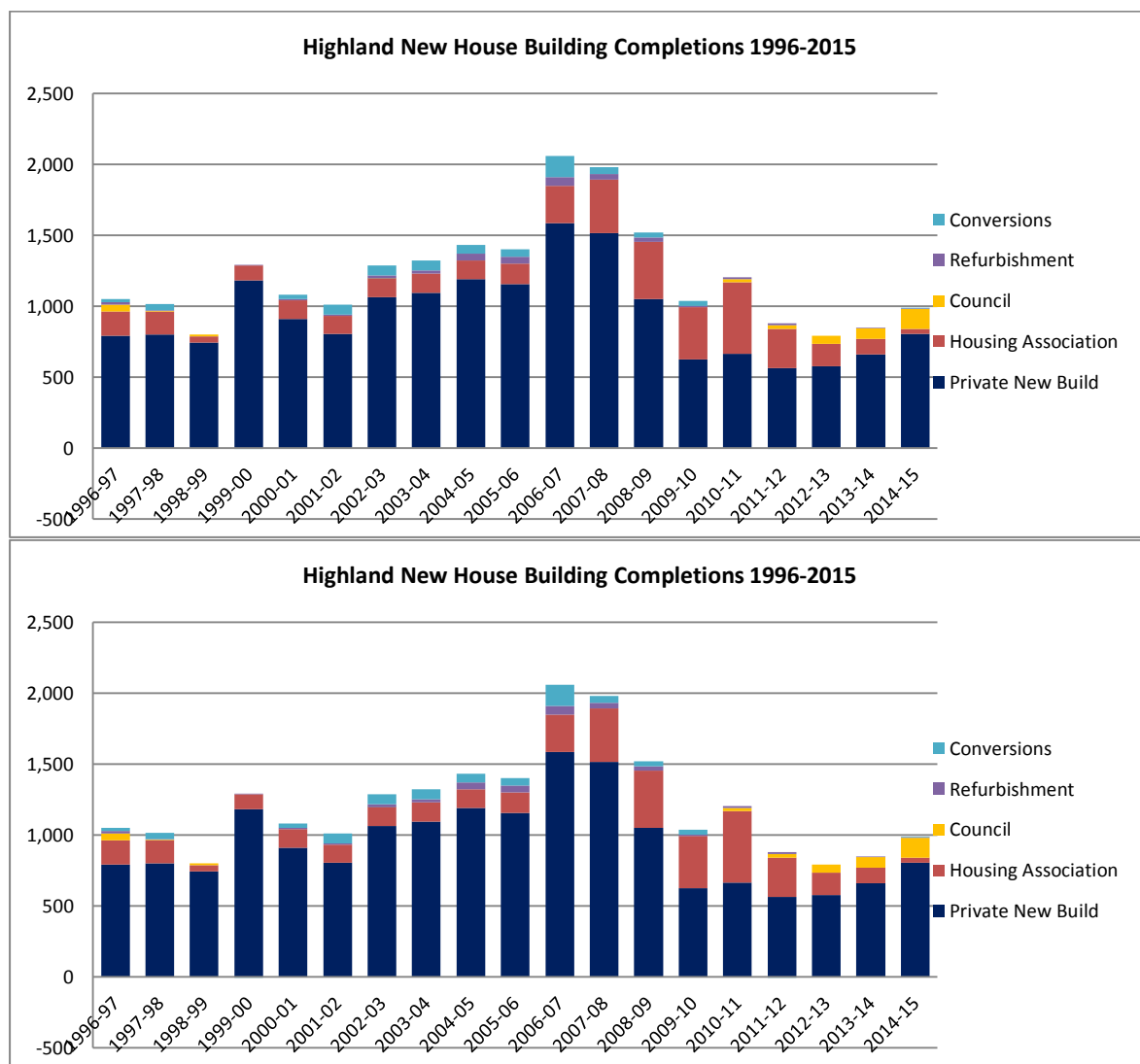
	Social Rent	Below Market Rent	Private Rented Sector	Buyers	Total Requirement	Requirement as % of Current Stock
Badenoch & Strathspey	156	62	134	86	438	6.1
Caithness	89	41	35	89	254	2.0
East Ross	238	93	112	135	578	5.8
Inverness	1,096	378	727	703	2,904	8.1
Lochaber	193	68	65	112	438	4.5
Mid Ross	256	84	173	131	644	6.3
Nairn	138	44	79	87	348	5.9
Skye & Lochalsh	149	56	81	64	350	4.9
Sutherland	80	37	35	52	204	2.6
West Ross	75	33	54	31	193	3.9
Highland	2,469	895	1,494	1,491	6,349	5.7

Source: Highland Council Analysis using HNDA Tool, continued growth scenario

This indicates that over 6,000 new houses, across all tenures, need to be built over the next 5 years to house all those who will want to make a new home for themselves.

Forty five percent will be required within Inverness and the surrounding area. In terms of meeting housing need it has been established that there is a requirement for 2,469 social rented houses over the next 5 years.

This overall target is similar to the previous Local Housing Strategy figures and, as per the table below, reflects the pace, scale and achievements of recent developments and completions, having taken into account the recovery process from the 2008 credit crunch.



4.2 Priority Communities

Following consultation partners and stakeholders and supported by the statistical evidence available from the Highland Housing Register on pressured areas and the

availability of land - the following communities have been identified as priority for affordable housing development programme over the next 5 years:

Badenoch & Strathspey:

- Aviemore is the highest priority
- All other communities, apart from Dalwhinnie and Cromdale, are priorities (albeit those with recent investment are lower priorities)

Caithness:

- Caithness's communities are a priority for regeneration activities e.g. using the existing stock. The highest priorities are greater Wick and Thurso

Inverness:

- Inverness City is the highest priority
- Beauly; Ardersier; Drumnadrochit and Fort Augustus are priorities
- The communities around South Loch Ness are longer term priorities e.g. securing land for future development

Lochaber:

- Fort William and the neighbouring communities are the highest priorities
- Small discreet investment to support the sustainability of the Ardnamurchan peninsula's rural communities, e.g. Acharacle, is also a priority
- Mallaig is a longer term priority

Nairn:

- Nairn town is the highest priority.

Easter Ross:

- Priorities are Evanton; Invergordon, Tain and Alness
- Communities with recent housing investment are lower priorities

Mid Ross:

- Dingwall is the highest priority
- All other communities are priorities (albeit communities with recent investment are lower priorities)

Wester Ross:

- Ullapool, Gairloch and Lochcarron are the highest priorities
- Applecross, Achiltibuie and Torridon are longer term priorities e.g. re. securing land for future development

Skye & Lochalsh:

- Portree, Broadford and Plockton to Dornie communities are the highest priorities
- Other communities with recent investment are lower priorities

Sutherland:

- Dornoch, Clashmore and Embo are the highest priorities

- Lochinver is a longer term priority i.e. securing land for future development

There may be occasions where joint funded housing investment decisions are driven by non-housing objectives such as supporting fragile remote rural communities and local economic regeneration projects.

We will take account of housing supply issues in relation to planned industrial expansion, such as that proposed for the aluminium smelter in Fort William, and consider housing requirements through the overall master-planning process for major economic development.

We will invest in other areas where specific needs are identified, or where circumstances change.

In addition, we will continue to support active and ambitious Community Trusts / local organisations in undertaking local needs assessments and developing and implementing their own housing plans.

These investment priorities will be reviewed annually as part of our Strategic Housing Investment Plan reviews.

Chapter 5: Outcome 1: Housing Supply

Increase the supply of homes in Highland so that we have enough houses in the right places to meet housing needs

Highland LHS 2010/11-2014/15 Progress:

- 1,607 affordable house completions; as average of 321 per year.
- 1,457 housing association and 379 council new build completions.
- 911 units for low cost home ownership (475 open market and 436 new supply)
- 150 units of National Housing Trust / mid-market rent.
- 408 Help to Buy sales
- 32 empty properties brought back into use.
- New private sector homes:
- 3,271 new private sector houses via Highland-wide Local Development Plan 2012

5.1 Introduction

Increasing the supply of housing in Highland remains a key priority to meet projected need and demand and to help facilitate demographic and economic growth. House building activity is also a vital to the local economy by supporting construction and related businesses, creating and sustaining jobs and training opportunities.

In this section we set out our ambitions for housing supply and priorities for future affordable housing investment.

5.2 Partnership working

A positive partnership approach is integral to delivering our strategy. We have established a Highland Housing Hub as a collaborative vehicle between the Council, Scottish Government and Highland's housing development partners to:

- deliver the Highland Affordable Housing Programme;
- collectively agree the Highland Strategic Affordable Housing Investment Plan;
- maximise investment levels for the delivery of affordable housing in areas of greatest need;
- work collaboratively and cement partnerships to deliver agreed outcomes;
- streamline Communication between different agencies that have a role within the delivery of housing;
- demonstrate a model of working which can be rolled out to other areas of Scotland; and
- contribute to the delivery of Scottish Government housing supply targets.

This will be achieved by:

- working to identify possible sites and projects for current and future programmes;
- identifying impediments to delivery of projects;
- working to break down barriers to the delivery of housing within Highlands;
- sharing experience, information and expertise;
- agreeing lead partners to take forward individual projects; and
- delivering best value for money projects in Highland, including new forms of construction and procurement.

The HUB is supported by Six Local Development forums (LDF) operating at a Housing Market Area (HMA) level; providing local expertise into the house build programme and considering potential new sites.

As part of the Council's long-established project management arrangements regular programmed one to one meetings with housing associations and developers will also continue to be supported.

5.3 Land Supply

The Local Development Plan (LDP) process supports our strategic aims by identifying a generous land supply on a range of sites to ensure a minimum of 5 years effective land supply at all times. Through the Housing Land Audit, the Council will monitor housing completions and review the supply of housing land on an annual basis.

As well as some greenfield sites that have been identified to meet need and support aspirations of growth, we also look to encourage and support the use of brownfield sites in pressured areas. As this often incurs prohibitive costs due to contamination and site assembly, we will continue to seek contributory funding through sources such as the Scottish Government's Vacant and Derelict Land Fund (VDLF), which has enabled several brownfield sites to be developed as housing over the past 10 years.

The Council has a longstanding commitment that surplus Council owned land is prioritised for housing use in pressured areas and therefore preference is given to all potentially surplus Council sites for affordable housing. The Council remains committed to reviewing our register of assets/sites for this purpose.

As well as identifying and landbanking Council owned sites suitable for affordable housing, Council housing development staff continue to work in partnership with planning colleagues to identify additional housing land within priority areas.

Where complexities of land ownership continue to constrain developments the Council will continue to work internally between Services and with our development partners to identifying issues at an early stage and trying to resolving them to avoid lengthy delays.

5.4 Affordable Housing Development Programme

Every two years a strategic housing investment plan (SHIP) is produced by the Council and delivery partners. This sets out how the Highland Affordable Housing programme will be delivered over a 5 year period. This is reviewed and updated on an annual basis with development partners to take account of any changes and new opportunities that materialise.

Through the Highland Affordable Housing programme, the Council has a minimum resource planning assumption that it can expect to receive from the Scottish Government in the next five years. It is anticipated that additional funds will be made available through further allocations from the Scottish Government during the lifetime of the SHIP.

Wherever practicable, our aspiration is to create mixed tenure sites, with the benefits that come from creating more balanced communities comprising appropriate services, to help create and maintain longer term sustainability.

Part of this is recognising that, whilst most households in need of affordable housing require social rent, some households can also be lifted out of housing need by other means. This may include affordable options such as mid-market rent or assisting people to enter owner occupation through schemes such as Help to Buy, National Housing Trust, or shared ownership. By providing greater choices we will also help to maximise available grant funding across the programme, leveraging in additional complementary private finance arrangements.

We will continue to prioritise the delivery of social rented housing for rent and as with our previous strategy aim for 80% of the housing development programme to be for social rent and 20% for low cost home ownership / mid- market rent.

The Council continues to support the 'golden-share' arrangements currently operating in relation to Shared Equity housing in rural areas, so that the social landlord (RSL) which built the houses is able to retain a share of the equity and ensure that housing remains available for future affordable housing needs.

The majority of our affordable housing development sites are in Council ownership, many of which are being built in partnership with housing association partners. Our focus is on making the best use of resources to deliver social rented housing where it is most needed, particularly in areas where locally based housing associations do not have potential projects.

The Council directly funds or enables the affordable housing development programme through prudential borrowing, and the use of the Council's landbank fund, as well as prioritising the use of surplus Council land and buildings for housing use.

Prudential borrowing has been able to support onward lending to development partners for other initiatives such as the National Housing Trust developments for mid-market rent. We also fund early site feasibility studies to proactively identify constraints and develop solutions.

We use Council Tax revenue from second and long term empty homes to fund infrastructure costs and contribute to high cost rural projects.

We have a well-established recyclable landbank fund, used to maximise housing provision by granting loans to housing agencies. This enables a landbank of strategic sites; addressing infrastructure constraints and front-funding of projects at risk of delay. Again, this can mitigate the high cost of rural projects.

We work closely with the Highland Housing Alliance (HHA), a not for profit development company that has been set up by the Highland Council and Highland housing associations, to deliver new housing and affordable housing in particular.

5.5 Developer Contributions to Affordable Housing

The Highland Wide Local Development Plan sets out a clear Affordable Housing Policy whereby at least 25% of houses on sites with a capacity of 4 or more houses/plots must be provided as housing. Section 75 agreements and other mechanisms are used, where justified, to secure developer contributions where there is a demonstrable need for affordable housing.

The policy applies to all parts of Highland outside the Cairngorms National Park, apart from Caithness and parts of Sutherland. A contribution of greater than 25% (but not more than 40%) may be expected in communities where there is evidence of, or is likely to be, acute housing pressures. Such pressures could be affected by restrictions and constraints on the supply of economically deliverable land supply. This may be subject to negotiation.

The need for, and extent of, developer contributions will be reviewed annually, to take account of any change in local pressures.

Because of the extent of affordable housing needs and the general small scale of housing developments in a largely rural area, the Council proposes to set the trigger for contributions at the threshold of 4 houses or more in all communities where it does not already apply as part of the Highland-Wide Development Plan.

In terms of the contribution, housing provision on the site itself is preferred, followed by provision elsewhere within communities identified as priorities for affordable housing investment. Commuted sums, however, may be preferred in small projects where it is difficult to deliver affordable housing economically. Where developer contributions are commuted from developments in non-priority communities these will be utilised to help meet affordable housing need within the same housing market area.

Where subsidy is not available, in communities which are not considered to be a high priority, we will support alternative affordable housing provision subject to being satisfied with management and maintenance provisions, how housing needs will be met, and the long term nature of any such proposals.

The Cairngorms National Park Local Development Plan (2015) also sets out clear affordable housing requirements for the National Park area. Policy 1 of the Local Development Plan states that the level of affordable housing required on developments of four or more open market dwellings will generally be no more than 25% of the total number of units. The policy also states that proposals of fewer than four open market dwellings should make an affordable housing contribution in the form of a cash payment towards meeting local housing needs. The Highland Council will continue to work with the Cairngorms National Park Authority to implement their affordable housing policy.

5.6 Creating and Maintaining Sustainable Places

The Council's Local Development Plans outline the planning policies that together aim to deliver sustainable development and the creation of high quality places where people want to live, work and visit. They set out standards for layout and design, protection of the built and natural environment, sustainable travel, and the provision of infrastructure, open space and facilities to support future communities. More detailed planning policy is set out in Supplementary Guidance that covers particular issues and/or geographical areas to ensure that development proposals address the unique challenges and circumstances in each part of the Highlands.

The Council is also prioritising investment in the environment around our housing estates. Our Housing Revenue Account Capital Plan commits 5% of Capital expenditure targeted at environmental improvements, and a further 5% on external structural improvement on housing estates. We have also committed additional revenue investment in environmental maintenance. Linked to this we are actively engaging with tenants and residents locally on tenant inspections through our Tenant and Customer Engagement Strategy.

5.7 Town Centre Action Plans

Highland has 65 town centres which vary in size and nature. In 2015 the Council adopted separate Town Centre Action Plans for Tain, Nairn and Fort William as non-statutory planning guidance, which is treated as a material consideration in determining planning applications. The important role of housing is recognised both in helping to improve the fabric of buildings and increasing residential provision within town centres by converting or developing vacant buildings and sites.

Inverness is rightly considered as the 'Capital of the Highlands' due to its economic, social and environmental importance within both the North of Scotland and the country as a whole. The Council has developed a city centre development brief to promote and guide opportunities for regeneration and development of Inverness city centre. The overarching vision is for 'a vibrant and unique city centre on the river, well connected and accessible, and valued as an attractive place to live, work and visit.'

The housing strategy will support the Council to realise the vision in relation to promoting opportunities for high density, flexible, mixed use development that:

- enables more people to live and work in the city centre; and
- brings vacant or underutilised space back to active use.

Regenerating vacant town centre property is a key driver for reducing vacant buildings, meeting housing needs and improving the environment of town centres.

We will consider the use of CPO powers in relation to significant buildings in town centres.

5.8 Private Rented Sector

The private rented sector plays an important role in meeting housing needs. The Council aims to support the growth of a healthy, well-regulated and high quality private rented sector in Highland.

The private rented sector is extremely diverse and meets a range of housing needs from different groups. For some people it is a short term option and for others a longer term tenure. It is often not a first choice tenure but the only option available for people who are not able to access owner occupation or a social rented property. There are affordability issues for many people, and these have been exacerbated, particularly for younger single people (under-35 years of age) as a result of changed to the welfare benefits system.

Private landlords are also a diverse group, ranging from large commercial operations to private individuals letting a single property.

The Council has also worked with Shelter Scotland on their innovative pilot projects supporting private landlords in the Highlands. This has involved outreach work to identify and offer help to people renting out homes who don't know about the rules that apply to them. Most of the landlords helped rented out just one property and many had become landlords through a change in their own circumstances such as having to move from their own home for work or inheriting a property.

The Council has also promoted the development of housing for mid-market rent. This is housing where the tenants pay rent levels below the normal market rent level in their area, although rents are higher than what a tenant would normally expect to pay in social housing. The tenancy is usually for 5 years, although it can be extended in some circumstances. In many cases the tenant has the option to buy the property at the end of the lease. This often allows tenants time to save towards a mortgage that will allow them to transition to owner occupation. Schemes to date in Inverness and some surrounding areas have been oversubscribed and have also allowed us to target people on the Highland Housing Register who have low priority for social rented housing and whose preferred long term housing option is owner occupation.

5.9 Empty Properties

Long term neglected and empty homes can pose problems for the Council and neighbours. They are often a blemish on an area and can be subject to vandalism and graffiti. The Council often has to deal with any pests, dilapidation, damage to neighbouring properties and hazards to the public.

Returning empty homes, or converting other vacant property into housing use is an effective way to meet housing need.

We have an Empty Homes Officer working to promote initiatives to convert vacant units above shops. We have successfully completed projects in 2 sensitive sites in Inverness and are working on one major scheme in Fort William. We are in contact with the Scottish Empty Homes Partnership and hope to develop a funding bid under the Empty Homes Kickstarter Grant scheme. Our aim will be to:

- monitor empty homes via Shelter's Scottish Empty Homes Partnership Project;
- provide advice, assistance and guidance to landlords and property owners;
- reduce the negative effect of empty homes on our communities; and
- where appropriate, explore available opportunities to return empty homes to use.

We will consider appropriate enforcement action where necessary.

5.10 Rural Housing

The most effective way to understand and meet the housing needs of rural communities is to work closely with local communities themselves along with third sector organisations and commercial partners. We aim to do this in order to:

- raise awareness of rural housing;
- provide advice and information to individuals, communities and organisations with evidenced local need;
- build on good practice; and
- explore funding opportunities e.g. self- build pilot, rural rent to buy.

The Highland Small Communities Housing Trust, an effective and well established rural housing enabler, is a key partner and lead agency in relation to rural housing initiatives.

The Highland Housing Hub, referred to above, recognises the benefits of rural development even in smaller numbers.

The Rural Housing Fund is proving extremely popular with communities, and we have a number of additional projects that we would like to progress in future through the Highland Small Communities Housing Trust, a local Housing Enabler, subject to continuation of the fund.

5.11 Self-Build / Custom Build

Self-build / custom build is a useful method to meet specific housing needs, particularly in rural areas. The Council works closely with the Highland Small Communities Housing Trust to purchase land for service sites in order to enable individuals to build their own home. The Trust has been able to access funding through the Rural Housing Fund and Rural Rent to Buy schemes.

We will continue to investigate options to support / promote self-build through the Highland-wide Local Development Plan.

5.12 Regeneration Areas

Although in most parts of the Highlands housing demand exceeds supply and both local economies and housing markets are buoyant, there are some areas which are considered to require regeneration. Caithness and in particular Wick has low housing demand, and overall economic regeneration is being addressed through the Caithness and Sutherland Regeneration Partnership. Similarly there are sub-housing market areas in different areas where regeneration initiatives will be considered to address localised housing market failure or contribute to wider economic development.

5.13 Our Approach to housing supply:

- **Increase the supply of new housing by 6,000 units and affordable housing by over 2,500 units over the next 5 years.**
- **Progress affordable housing projects through the Strategic Housing Investment Programme.**
- **Provide a mix of different tenure options to meet affordable housing need and demand**
- **Look at ways to lever in additional finance for new affordable housing.**
- **Ensure sufficient land is made available to facilitate new house building; undertaking actions to help make sites deliverable;**
- **Target the affordable housing new supply programme to address local mismatches in supply and demand and meet needs of the increasing number of single person households through building more 1 bedroom properties.**
- **Capitalise on City Deal investment in Highland to help facilitate housing development**
- **Implement the Affordable Housing Policy, targeted to increase the supply of affordable housing in areas of identified shortfall**
- **Encourage owners of empty homes to bring them back into use.**
- **We support the Highland Small Communities Housing Trust pilot for Self-Build.**
- **Continue to consider the use of individual property purchases in areas where specific housing needs cannot be met within the existing housing stock.**
- **Maximise Infrastructure investment to enable housing development.**
- **Ensure housing supply issues are considered as part of master-planning for major economic developments.**
- **Consider specific regeneration initiatives where appropriate.**
- **Continue to support fragile rural communities.**

Chapter 6: Outcome 2: Specialist Housing

People are supported to live independently for as long as possible in their own homes and communities.

Highland LHS 2010-2015 Progress:

- **Implementing the Highland Integration Scheme for Health and Social Care through a Lead Agency model with NHS Highland having responsibility for adult social care and The Highland Council leading on Children's Services.**
- **Around 20% of new build affordable housing build for varying needs (approx. 300 units)**
- **The Council has completed building of 5 adapted properties for disabled veterans in Inverness. These have been transferred to Homes for Heroes who will allocate and manage the properties**
- **Within the private sector adaptations are funded through the Council Private Sector Housing Grant / Scheme of Assistance. On average we have approved around 500 applications for grant under the Scheme of Assistance each year.**
- **Targeted 80% of private sector housing grants to funding adaptations.**
- **We have undertaken around 400 public sector adaptations annually.**

6.1 Introduction

Suitable housing plays an important role in enabling people to live longer healthier lives. We believe that people who suffer from ill health, disability or other long term conditions should be able to live as independently as possible for as long as possible.

We want to enable as many people as possible to remain in their own homes or in 'mainstream' accommodation, through helping them with adaptations, providing specialist equipment or care at home services and through tele-health care.

We also recognise that we need to make sure that new housing developments take account of population trends and the needs of an aging population.

Although specialist housing or related services can be required by people of all ages, needs become more acute in later life. Across Highland as a whole, we are seeing a growing number of people in the 55 to 65 age group. It is expected that by 2035 the older population in Highland will have increased by 54% from 2015, and the pace of change is also increasing. Although many people will also be able to live at home for longer there will be an increasing need for suitable accessible accommodation and associated support services, including for people in the oldest age groups (75+). We also know that as significant proportion of the elderly population is likely to live alone, bringing a particular set of challenges in terms of housing and care.

The Council and NHS Highland support an approach that aims to move the balance of care away from care homes towards care in the home and community, with care homes providing for the particularly frail and elderly.

6.2 Health and Social Care Integration

Highland Council and NHS Highland have adopted a Lead Agency model for Health and Social Care Integration, with NHS Highland responsible for all Adult Care Services and The Highland Council responsible for Children's Services.

Approaches to Adult Social Care are set out in the NHS Highland Joint Commissioning Strategy which was developed through the NHS Highland Older Persons' Commissioning Group. It is recognised that housing has a significant contribution to make to national outcomes for health and wellbeing, and relevant staff are involved in joint strategic planning.

The following key issues have been highlighted by partners in relation to specialist housing provision.

6.3 Accessible and adapted housing

Having an adequate supply of accessible / adapted housing stock allows people to remain at home or in their communities for longer. There is a slightly greater proportion of adapted property in Highland than nationally. Adapted stock is more common in the social rented sector (45%) with lower proportions in the owner occupied (24%) and Private Rented Sector (11%).

The property profile in Highland, with relatively high proportions of houses / bungalows compared to flats, helps to meet the need for accessible housing; however there is evidence of the need for accessible / adapted property, with a particular need for ground floor / level access housing.

6.4 Wheelchair housing

According to the Council's Housing Need and Demand Assessment there are around 90 people on the Highland Housing Register who require wheelchair liveable housing. Most of these people are under 60.

Demand can currently be met through adaptations and new build, with 64% of needs met through annual turnover of social rented property. Future new build will increasingly include design features that make property easier to adapt to future needs.

Long term demographic and health changes are likely to require additional provision of wheelchair accessible housing.

6.5 Sheltered Housing

There are currently 914 sheltered and very sheltered public sector housing units in Highland with over half provided by the Council. In addition to this Cairn Housing Association have re-designation of 195 sheltered units which are now offered as 'retirement housing'.

The evidence of need and demand for Sheltered Housing suggests an underlying unmet demand from significant numbers of housing applicants. As the older person population increases and there are much higher numbers of people aged 75+ demand for sheltered housing and specialist models is likely to increase.

The Council is currently undertaking a review of Sheltered Housing provision to help us understand some of these issues in more detail and contribute to the planning, design and development of housing aimed at meeting the needs of an aging population.

6.6 Technology Enabled Care

Technology Enabled Care is being developed across Highland as part of a Scottish Government initiative and includes building on the existing Telecare Service, the introduction at scale of Home and Mobile Health Monitoring, further development of the Living it Up digital platform, increasing the use of video-conferencing and planning for the analogue to digital switch.

Digital Technology is central to fulfilling our ambitions to provide more person centred care and to support people to live healthy and happy lives in their own homes, or in a homely setting and communities for as long as possible. It offers new opportunities for transforming the outcomes and experience of patients and citizens and for supporting those who care for them.

Technology Enabled care is therefore of key importance in planning to meet housing needs and development over the coming years.

Technology Enabled Care is a partnership approach which supports discharge planning, reduces delayed discharges, supports people with dementia and their carers, reduces emergency and unplanned admissions, helps reduce the length of stay in hospital, enables people to remain at home safely for longer and supports people to self-manage their health and wellbeing.

Telecare aims to increase the number of new users of telecare by 1000 clients over a three year period to June 2018 and Home and Mobile Health Monitoring aims to have 2000 people self-monitoring their health and wellbeing by June 2018.

British Telecom has announced that the switch from analogue phone lines to a digital network will begin in five years' time. Analogue networks will be switched off and transferred to the digital network. This will have significant impact on the services we provide and work has already begun in Highland on exploring new digital technologies which are compatible with the digital network. The Scottish

Government is leading on this work and Technology Enabled Care in Highland is a key partner in these discussions.

6.7 Adaptations

There is a slightly greater proportion of adapted property in Highland than nationally. Adapted stock is more common in the social rented sector (45%) with lower proportions in the owner occupied (24%) and Private Rented Sector (11%). The property profile in Highland, with relatively high proportions of houses / bungalow compared to flats helps to meet the need for accessible housing.

This reasonable proportion of the Council's housing stock is suitable for people with accessible housing needs. Within the Social Rented Sector needs are also met by providing adaptations to existing stock. We undertake over 400 adaptations a year.

Within the private sector adaptations are funded through the Council Private Sector Housing Grant / Scheme of Assistance. On average we will approve around 350 applications for grant under the Scheme of Assistance each year.

The Council and NHS Highland jointly fund 6 locally based Handyperson Services across Highland, all of which are continuing to experience increasing demand. Services are particularly focussed on the needs of older people, and 85% of all work is for clients aged over 65, and nearly a quarter (23%) is for people aged 80+ years old. Most handyperson tasks (51%) relate to adaptations, with 39% small repairs and 9% Telecare installation. Given projected demographic trends we would expect to see an increase in the number and proportion of Telecare work in future.

As part of the Adapting for Change Demonstration Project (through the Joint Improvement Team) Lochaber Housing Association, the Highland Council and NHS Highland developed the 'Be@home' project. This was one of five national demonstration sites and focussed on developing and testing an integrated one-stop shop for housing adaptation across tenure. In addition we have an Occupational Therapist based in our housing team in Sutherland. This enables a more streamlined, housing focussed approach to considering local housing accessibility issues. We are continuing to run both services and are now at the stage of using the findings to inform the future configuration of services across Highland.

6.8 People with long term conditions

As at March 2014 there were 643 people receiving a long term housing support service in Highland. Most services are centred on clients with Learning Difficulties (47%) or Mental Health conditions (29%), although there are a range of other needs, including people managing multiple long term conditions.

There is an uneven spread of services across Housing Market Areas, with services for all client groups only available in Inverness. Lochaber and Ross and Cromarty have a reasonable spread of services, but not all client groups are catered for. In the more rural areas services are restricted. We will continue to try to meet long term housing support needs as effectively as possible where needs arise.

6.9 Domestic Violence

Partner agencies including the Highland Council, NHS Highland, Police Scotland, Witness Support Scotland and local Women's Aid charities in the Highlands work together in Multi Agency Risk Assessment Conferences, also known as MARACs, to respond to individual cases and plan preventative strategies.

Womens' Aid run 3 independent refuges in Highland with 24 places as well as providing outreach services to women affected by domestic abuse. Analysis of homelessness statistics indicates that an average of 120 people a year become homeless due to domestic violence or abuse. Figures show that on average around 40 women a year use refuge provision as a direct result of homelessness. Given that many women will self-refer this is likely to be an underestimate.

6.10 Young People

Young people have particular housing needs, for example single people who may require accommodation whilst in education, preparing to enter owner occupation / social renting, experiencing homelessness or other housing crisis.

Accommodation for young people is important to balance communities. In rural areas it can help retain younger people in communities, and in urban settings it can provide affordable housing for students, key workers or people not ready to enter owner occupation.

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.

The private rented sector, including Houses in Multiple Occupation, plays a vital role in Highland's housing system. It provides housing for a wide range of households including young working people, students, lower income households and economic migrants as well as people who need support and those who are at risk of homelessness. It is particularly important in communities such as Inverness where there is a 'younger' population than Highland as a whole combined with a high housing pressure.

Within the Private Rented Sector there are 248 Licensed Houses in Multiple Occupation (HMO) in Highland, the majority of which are in the Inverness Housing Market Area where there is a concentration of demand. Future supply will be influenced by many factors, including:

- future student numbers at the University of the Highlands and Islands, Inverness Campus;
- future demand from students and others seeking to share accommodation;
- the needs of incoming workers; and
- the needs of those requiring supported shared accommodation.

Small HMOs are an important element of the city centre's rented housing stock, accommodating a wide range of tenants including those on low incomes, young

workers and students. However some parts of Inverness city centre feature a disproportionately high concentration of large Houses in Multiple Occupancy (HMO). In order to encourage a broader mix of housing tenure, the Inverness City Development Plan introduced a pilot scheme to manage the proportion of bed spaces in large HMOs. This involves introducing a cap on new planning permissions for large HMOs.

6.11 Gypsy / Travellers

The Highland Council owns and manages four Gypsy Traveller sites providing a total capacity of 47 pitches. We are aware that a number of other Gypsy/Travellers in Highland live in 'bricks and mortar' housing.

We also experience significant levels of unauthorised encampments, with an average of 52 unauthorised encampments identified per annum, with activity peaking during the June to August period. The size of encampments varies widely, but most consist of 3-6 caravans. Gypsy/Traveller encampments take place across most parts of the Highland area, but the largest volume of activity is focused in the Inverness and Inner Moray Firth and Skye and Lochalsh areas.

The Highland Council carried out a Gypsy / Traveller Accommodation Needs Assessment in 2014. This found that Gypsy / Travellers were generally positive about their experiences of accessing public services, including health and education, in Highland.

The Needs Assessment also estimated 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.

Gypsy/Travellers have significantly poorer health outcomes than most other ethnic groups. For example a 2009 Equality and Human Rights Commission study estimated that life expectancy for the Gypsy/Traveller population is around 10 years lower than the national average. We work closely with partners in NHS Highland and with the Council's Care and Learning Service to improve health and education outcomes for Gypsy / Traveller households in Highland.

6.12 Our Approach to Specialist Housing Provision:

- **Increase the use of technology enabled care and flexible housing design innovations in support of preventative and anticipatory approaches to future proof housing provision.**
- **Prioritise services which encourage and enable people to plan and make well informed choices about their future housing needs**
- **Make the best use of existing housing to allow people to live longer, healthier lives at home.**
- **Increase the supply of specialist housing through the Local Housing Strategy and Strategic Housing Investment Plan.**

- **Redesign and improve housing adaptations services to a tenure neutral, integrated, person centred model.**
- **Collaborate with NHS Highland and other partners to develop appropriate intermediate housing options.**
- **Develop housing options services through the Personal Outcome Plan and raise the awareness of housing, health and social care workers.**
- **Review and integrate local arrangements for allocation of specialist housing provision across competing client groups, including children moving into Adult Services.**
- **Support home based support services provided by joint Handyperson and Care and Repair providers delivering adaptations, equipment, telecare and small repairs services across tenures, as a result of shifting the balance of care.**
- **Consider further Gypsy / Traveller Site provision where needs are identified through the Gypsy / Traveller Needs Assessment.**
- **Consider the needs of carers in planning for specialist housing needs.**
- **Develop local priorities through District Partnerships.**

Chapter 7: Outcome 3: Homelessness and Housing Support

Prevent and respond to homelessness and make sure people have the right help to let them make decisions on their housing options.

Highland LHS 2010-2015 Progress:

- **Achieved Scottish Government target on abolition of the Priority Needs Test.**
- **Implemented a Homeless Prevention Approach and reduced homeless presentations.**
- **Reviewed and updated Homelessness Policy.**
- **Retendered Temporary Accommodation for homeless people and aimed to improve quality of temporary accommodation.**
- **Improved partnership working with other agencies, with a particular focus on clients with multiple / complex needs.**
- **Worked with Housing Support Providers to meet the Housing Support Requirements.**
- **Developed systems for obtaining customer feedback on homeless services.**

7.1 Introduction

Homelessness is the most acute form of housing need, and places significant demands on housing and other services. We have seen a significant shift in focus in successive Homelessness Strategies over the last 15 years reflecting changes in legislation and national guidance. Early strategies focussed on increasing the provision of temporary accommodation and housing supply issues. Subsequently we saw a change in focus towards service quality and sustainable housing solutions and developing preventative services. More recently strategic direction has been informed by a person-centred approach recognising that homelessness is closely linked to public health and longer term inequalities and is often a symptom of other complex issues. Sustainable solutions therefore depend on effective multi agency working to mitigate the long term health inequalities that have become a feature of Scottish society. Our homelessness strategy has also evolved from focussing on preventing homeless presentations towards working with individuals to consider their housing options.

7.2 A Profile of Homelessness in the Highlands

Homelessness Presentations reduced significantly in Highland from 2,376 in 2008/09 to 1,290 in 2011/2. This relates to the introduction of a homelessness prevention approach over this period. Since 2012/13 we have seen homeless presentations at a relatively stable level of around 1,000 per year.

The single biggest group of homeless applicants are in the 26 – 59 years of age category. This has increased as a proportion of applicants from 56% in 2011/12 to 66% in 2015/16. Over the same period the proportion of applications from younger people (aged 16-25) has reduced from 39% to 29%, within which the proportion of applications from 16-17 year olds has reduced from 8% to 4%.

The gender mix of homeless presentations is fairly stable, with the figures for 2015/16 being 46% female and 54% male.

The majority of homeless presentations are from single person households. This is consistently around 60% of applications, with single parents accounting consistently for another 20% of applications.

Most people become homeless due to being asked to leave current accommodation due to non-violent relationship breakdown or household disputes, whether with a partner or parent (combined 37% of presentations). Violent disputes within existing households, including domestic abuse, account for 17% of homelessness. The other main reasons are loss of existing rented / owner occupied property through termination of tenancy or mortgage default / rent arrears (23%).

The greatest pressure in terms of homelessness is in the Inverness area. This relates to both the volume of presentations, which typically account for nearly 50% of the Highland total, and demand for temporary accommodation; with 68% of current homeless households in temporary accommodation waiting for an offer of settled accommodation being in Inverness. This reflects the overall housing pressure prevalent in Inverness.

Since 2012 we have had an average of 535 households in temporary accommodation at any time, with the majority in privately rented single rooms or bed and breakfast accommodation, with less than a third provided through the Council's own stock. We have recently begun to address this imbalance, and this is detailed in the following section on our approach to homelessness.

We have seen some reduction in the duration of homelessness from a peak of 53 weeks in 2011/12 to 42 weeks in 2015/16. The lack of suitable housing to make offers of settled accommodation remains the single biggest barrier to reducing the duration of homelessness.

Many homeless applicants require Housing Support to help them sustain their tenancies. Housing support services to homeless clients are provided under contract through a range of external service providers.

7.3 Housing Options

The Scottish Housing Regulator published a national report on its enquiry into housing options and homelessness prevention services in May 2014. The Scottish Government published national guidance on Housing Options on March 2016.

The Highland Council undertook a review of homelessness services in 2014 to ensure that they:

- are person centred and focussed on achieving outcomes that meet peoples' needs;
- prioritise early intervention and integrate prevention and homelessness assessment rather treat these as separate functions / activities;

- provide balanced and appropriate case specific advice and information;
- focus on a person's needs rather than the homelessness process; and
- identify and respond to support needs.

Over the last year we have focussed on staff training and development and on introducing a cultural shift in how we view homelessness services. We will continue to develop a housing options based, preventative homelessness service.

7.4 Temporary Accommodation

As stated above the Council has traditionally used private sector leased properties as the main source of temporary accommodation.

Issues of affordability have become a greater cause for concern as a result of Welfare Reform. We are already seeing an impact on rent arrears from general Universal Credit claims. Over time we will expect to see an increasing number of homeless households receiving Universal Credit rather than Housing Benefit. This could be expected to be a bigger issue for vulnerable households. Universal Credit is currently paid monthly in arrears based on the claimants' circumstances at the end of the monthly assessment period. While we can request payments are made direct to us where we feel someone cannot manage their finances, the timing of this process set against the brief time some people stay in temporary accommodation means that in many cases we will not be able to obtain direct payment quickly enough to prevent arrears.

Charges for temporary accommodation comprise a rental element and a management / service charge element. The rental element under Universal Credit is based on Local Housing Allowances. The use of Local Housing Allowance rates have a particular impact on single people under 35 who are restricted to the 'shared room rate'. This is a concern in relation to homelessness, since analysis of those staying in temporary accommodation shows that around 60% are under 35. Two further proposed changes to the welfare benefits system will compound this concern. Firstly, the restriction of Local Housing Allowance rates will reduce housing benefit / the housing cost element of Universal Credit awarded; and secondly the abolition of help with housing costs for those under 21.

Due to concerns around affordability, and to mitigate the impacts of the Welfare Reform, we have reviewed our model of provision and intend to move away from the current position, where the majority of homeless accommodation is sourced from the private sector. We are currently aiming to provide the majority of homeless accommodation from within our own stock, while sourcing specialist supported accommodation as required.

The Council currently has 2 'hostels' for use as temporary accommodation in rural areas, one in Skye and one in Badenoch and Strathspey. These provide emergency accommodation in high pressure areas, where it is very difficult to source alternative private provision, which is all now self-contained. We are intending to review the future options for this accommodation over the life of the LHS.

7.5 Housing Support Services

Housing support is important to reduce homelessness and increase tenancy sustainment. There is now a requirement to assess and provide access to housing support for all homeless and potentially homeless people in need of it.

Support services for homeless clients are delivered through 7 independent providers with a total budget of £1.642m for 2015/16.

The Council is in the process of undertaking a review of the way Housing Support Services are delivered and a retendering exercise.

We are also developing our approaches to dealing with clients with Multiple / complex needs. New partnership working arrangements have been agreed with NHS Highland and we now have a single multi-agency homelessness strategy group. Homelessness strategy is now more closely linked with Community Planning structures through the Health Inequalities theme group.

We are also reviewing our approach to specialist accommodation. This is currently mainly provided through limited support exempt hostel type accommodation through the voluntary sector. We are currently review and considering future needs, linked to consideration of Housing First type approaches.

7.6 Our Approach to Homelessness:

- **Ensure access to an enhanced housing advice and information service.**
- **Prevent homelessness wherever possible and provide sustainable solutions.**
- **Enable access to the right type of housing.**
- **Provide support to enable people to develop and maintain their capacity to live independently.**
- **Work with housing support providers and stakeholders to ensure the implementation of improved systems of service delivery which will focus on outcomes for clients.**
- **Work towards providing the majority of temporary accommodation in Council-owned HRA properties, with a rent structure that is affordable within the welfare benefits system.**
- **Renegotiate rents with property owners in order to bring these into line with Local Housing Allowance rates. This will ensure that the housing element paid to those on Universal Credit will cover the rent charged. Where we cannot negotiate a more favourable rent with the landlord or when we no longer need a property we should end leases early where possible or not renew them when they expire. We will try to avoid placing homeless households in receipt of Universal Credit in property with rents above the Local Housing Allowance rate.**
- **Review the future options for this accommodation over the life of the LHS.**
- **Review and considering future specialist accommodation models linked to consideration of Housing First type approaches.**

Chapter 8: Outcome 4: Housing Quality and Fuel Poverty

Improve the condition of housing and minimise fuel poverty to improve the quality, comfort and affordability of homes.

Highland LHS 2010-2015 Progress:

- **Repairs / Improvement Grants:** over the last 5 years the Council has awarded around 90 repair and improvement grants each year to private owners at an average level of almost £5,000.
- **Achieved Scottish Housing Quality Standard**
- **Continued to target energy efficiency improvements through the HRA Capital Programme:** 4,630 new heating systems / energy efficiency measures carried out at cost of £73.8m.
- **Continued to deliver HEEPS-ABS programme:** undertaken insulation measures to 1,150 properties to date with a further 340 programmed since 2013.
- **Continued to lead the Highland Affordable Warmth Partnership Group.**
- **Lobbied for changes to energy tariffs and other factors affecting fuel poverty in the Highlands**

8.1 Introduction

Promoting good quality housing is an important factor in improving the health and well-being of people in Highland. As the housing stock ages, landlords and homeowners will need to do be prepared for some possible modernisation, renovation and/or remodelling work as structural elements reach the end of their lifespan.

It is estimated that around 24% of properties in Highland are pre-1919, slightly higher than the 20% average for Scotland. A further 24% of Highlands stock was built between 1982 and 2012.

The Scottish House Conditions survey provides the best source of information on stock conditions across tenure. This shows:

- 9% of Highland stock has a low energy efficiency rating compared to 4% nationally. There is a particular concentration within the Private Rented Sector (17%);
- 4% of Highland Stock is Below the Tolerable Standard (BTS) compared to 3% nationally. There is a concentration of BTS housing in the Private Rented Sector (17%);
- 26% of Highland stock is in urgent disrepair compared to 38% nationally. Again this is highest in the Private Rented Sector (37% compared to 49% nationally);
- dampness occurs in 2% of properties compared to 4% nationally and condensation in 3% of houses compared to 11% nationally. Again this is most prevalent in the Private Rented Sector. (7% and 37% respectively); and

- fuel poverty remains a significant issue in the Highland with 50% of Highland dwellings fuel poor, the third highest in Scotland and well above the Scottish average of 36%.

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 mainly due to limited fuel choice in rural areas. The stock conditions survey confirms a concentration of poor housing conditions in the Private Rented Sector.

8.2 Social Rented Sector

At present, 89% of social rented sector stock in Highland meets the Scottish Housing Quality Standard, with 11% exemptions due mainly to voluntary opt-outs by individual tenants. The Council has developed a 'post – SHQS' capital plan for the period to 2020. This involves prioritising spend on major component replacement, heating improvements, external repairs and environmental improvements.

Although generally Social Rented Housing is in good condition we have identified some areas where housing is reaching 'end of life' and are undertaking selective options appraisals on refurbishment against demolition and rebuild.

We are considering selective stock disposal / tenure diversification where that would help address long term low demand or contribute to area regeneration initiatives

Since 2014, the SHQS now also incorporates the Energy Efficiency Standard for Social Housing (EESH) to help improve the energy efficiency and is based on ratings from Energy Performance Certificates.

8.3 Private Sector House Conditions

Our approach to private sector housing improvements is set out in the Council's Scheme of Assistance. Issues associated with adaptations to meet specialist needs 'in situ' and allow people to stay in their own homes for as long as possible are dealt with in the chapter on Outcome 2. Funding for adaptations accounts for around 80% of our total spend on private sector improvements and we expect that this level of priority will continue.

In relation to spend on the remainder of our private sector improvement programme we have the following objectives:

- encourage and help private owners and private landlords to take more responsibility for maintaining their homes;
- reduce Below Tolerable Standard (BTS) housing and address disrepair through encouraging and assisting owners and private landlords to improve and repair their homes and, if necessary, through enforcement activities;
- help people living in private housing out of fuel poverty by assisting them to improve the energy efficiency of their homes; and
- maximise the impact and value of public investment.

Our approach reflects The Scottish Government's policy, which aims to:

- generate a cultural change in attitudes to private sector housing quality, promoting owners responsibility;
- support owners to invest more to ensure their homes have a sustainable future;
- use public money to support owners' repairs and maintenance only where strictly necessary; and
- use the wide range of flexible powers to take effective enforcement action where necessary.

We aim to strike a balance between encouraging owners to accept responsibility for maintaining their own properties with all the means available to them while providing assistance to encourage them to do so.

Delivery through Highland's Scheme of Assistance (SofA) provides 5 levels of service:

- basic advice and information;
- signposting, advice provision and practical assistance – from Council Services and voluntary organisations including Handyperson and Care & Repair Services;
- financial assistance;
- enhanced financial support including hardship funding; and
- enforcement where necessary - generally via works notices; maintenance powers and the Private Rented Housing Repairing Standard.

Broadly, the level and type of assistance offered will depend on the needs of the household; the type of repair required; the severity and scale of the disrepair and the household's ability to fund the work. We will target practical assistance at those who are unable to organise work for themselves such as older people or people with disabilities who are vulnerable and at risk.

We will support alternative housing options where investment is unlikely to be sustainable or cost-effective.

When an unregistered landlord has been identified a several step enforcement process is followed. If a valid application has not been received after the landlord has twice been advised of the requirement to register, a late application fee is applied in addition to the principle fees, and if an application has still not been made then a report is submitted to the Highland Licensing Committee (HLC) seeking approval to apply a Rent Penalty Notice (RPN) to the unregistered property. Reports are regularly submitted to the HLC, usually for every second Committee, and are very effective at ensuring the landlord makes an application

8.4 Private Rented Sector Regulation and Standards

The Council has a number of powers and duties in relation to engaging with and encouraging good standards within the Private Rented Sector.

We have a stepped enforcement process in place in relation to unregistered landlords, which involves escalating cases to application for Rent Penalty Notice

(RPN) to the unregistered property. Similarly we will consider evidence on whether landlords are fit and proper persons as part of the licensing process.

If an application cannot be approved or where already registered there are grounds for removing a landlord from the register this will be considered through the Council's Licensing Committee. We take account of consultation with Police Scotland or evidence of serious or repeated non-compliance with notices/orders issued by The First Tier Tribunal for Scotland in considering whether to refuse an application or remove a landlord from the register.

We are planning to consider improvements we could make to our enforcement process in cases of repeated and/or serious non-compliance with notices/orders issued by The First Tier Tribunal for Scotland or Environmental Health.

Enhanced standards introduced through the Private Rented Tenancy Sector legislation should hopefully improve standards in the sector but we will need to monitor whether there are unintended consequences in terms of disincentives for landlords to remain in the sector. This may have a disproportionate impact on rural communities where many landlords traditionally let their houses over the winter and then used them for holiday lets in summer.

8.5 Place-making, Regeneration and Sustainable Places

Local authorities can designate an area as a Housing Renewal Area (HRA) to help secure the improvement of houses within the area. We will consider using this mechanism where there are a significant number of sub-standard houses in a localised area as a means for carrying out work to, or demolishing the affected property.

In such cases we will explore the nature and extent of any issues further. If it appears that the HRA designation could be a useful mechanism to deal with localised problems, we will carry out an option appraisal in consultation with communities to consider its effectiveness and value alongside other mechanisms and powers.

Our view is that most issues can be dealt with through encouragement, assistance and, if necessary, enforcement with individual owners. Nonetheless if evidence comes to light or circumstances change, we will explore using Housing Renewal Areas.

8.6 Fuel Poverty

Fuel poverty is currently defined as a household having to spend more than 10% of its income on all household fuel use to maintain satisfactory heating. 'Extreme fuel poverty' is when a household has to spend more than 20% of household income.

There are many reasons why people can find it hard to pay their fuel bills. The key drivers for fuel poverty are income, fuel costs and the energy efficiency of homes.

Fuel Poverty is a significant issue in the Highland. According to the most recent Scottish House Condition Survey 56% households in Highland (over 57,000 households) can't afford to keep their home warmed to an adequate level; they are considered to be in fuel poverty. This is far higher than the national average across Scotland, where 34% households are considered to be fuel poor.

Furthermore, over 23,000 households in the Highlands (21%) are living in extreme fuel poverty. Highland's households are some of the worst affected in Scotland. Extreme fuel poverty only affects 9% of households across Scotland.

In Highland's, 56% of private owners are fuel poor households, and 54% of social renters are fuel poor households. Highland's pensioners are the highest household category for fuel poverty at 74% compared to 49% nationally.

Fuel poverty is a particular issue in rural areas, where there is limited fuel choice, and no access to the mains gas grid.

The Council does not have a direct influence on many of the factors impacting on fuel poverty, for example energy prices and household income. However there is an on-going need to promote solutions that are deliverable by others.

Many rural communities in Highland continue to rely on oil and LPG heating. There are a limited number of suppliers in Highland and prices are regularly up to 10p a litre higher than Scottish urban prices.

Consumers in Highland are being charged 2p per unit more than elsewhere in Scotland for their electricity as a result of surcharges for transporting energy to remote areas. Equality in fuel pricing is required to ensure Highland households, particularly in off-gas areas, do not continue to pay more for their fuel than other parts of the UK.

These constraints and external factors do not prevent the Council and partners from prioritising action to tackle fuel poverty in the Highlands. The main vehicle for this is the Highland Affordable Warmth Partnership Group. We are also taking the following action:

8.7 Home Energy Efficiency Programme Scotland (HEEPS)

HEEPS is the Scottish Government initiative to tackle fuel poverty and increase energy efficiency in homes.

Highland Council has a partnering contract in place to provide Energy Company Obligation (ECO) contribution to the Council's HEEP-ABS fund and to plan, manage and undertake all suitable works in connection with the programme. We have undertaken insulation measures to 1,150 properties to date with a further 340 programmed.

8.8 Scottish Energy Efficiency Programme (SEEP)

In 2018, the Area Based Scheme is to be replaced with a new Scottish Energy Efficiency Programme (SEEP). This will be a partnership with local government to take a more holistic approach to area building emissions and will include both domestic and non-domestic properties.

8.9 Energy Advice and practical help

The Affordable Warmth Partners Group continues to coordinate and plan targeted energy advice and practical help and facilitate local delivery of national programmes such as Warmworks and the *Warmer Homes Scotland* and targeting home energy advice and practical help through Home Energy Scotland. This includes affordable warmth visits for the most vulnerable.

8.10 Climate Change

The Climate Change (Scotland) Act 2009 has also placed a duty on public bodies to help reduce Scotland's CO2 emissions. Across Scotland around 25% of greenhouse gas emissions derive from houses. In 2007, Highland signed Scotland's Climate Change Declaration and confirmed our commitment to:

- strive to lessening our impact on climate change through reducing greenhouse gas emissions;
- take steps to adapt to the unavoidable impacts of a changing climate; and
- work in partnership with communities to respond to climate change.

8.11 Our Approach to improving the quality of housing:

- **New housing stock is built to high energy efficiency standards.**
- **Continue to maintain and improve the standard of social rented sector housing.**
- **We are planning to consider improvements we could make to our enforcement process in cases of repeated and/or serious non-compliance with notices/orders issued by The First Tier Tribunal for Scotland or Environmental Health.**
- **Consider selective approaches to deal with failing or low demand housing.**
- **Increase sustainability by reducing resource use, protecting our environment, combating climate change and conserving and enhancing biodiversity in our of housing development programme.**
- **Work towards achieving the Energy Efficiency Standard for Social Housing (ESSH) where technically feasible at reasonable cost.**
- **Continue to work in partnership with other agencies to develop solutions on how to address fuel poverty in remote and rural areas.**
- **Help householders become better informed on ways to make their homes warmer, to make savings on energy bills and to increase their income.**
- **Prioritise actions and activities on those most at risk i.e. those on lowest incomes with highest energy costs and those that under-heat their home.**

- **The energy efficiency of homes (all tenures) is improved through:**
 - **delivery of Home Energy Efficiency Programmes for Scotland;**
 - **commission energy efficiency programmes for social housing;**
 - **improved fuel choice;**
 - **share good practice regarding retrofit measures and building new homes;**
 - **develop Highland knowledge base and lobby for more localised and customer-focused delivery mechanisms;**
 - **consider setting up a local energy supplier; and**
 - **promotion of district heating schemes.**