

Agenda Item	<b>14</b>
Report No	<b>EDI/76/19</b>

## HIGHLAND COUNCIL

**Committee:** Environment, Development and Infrastructure

**Date:** 7 November 2019

**Report Title:** Strategic Housing Investment Plan

**Report By:** Executive Chief Officer Transformation and Economy

### **1 Purpose/Executive Summary**

- 1.1 This report seeks approval for Highland’s Strategic Housing Investment Plan (SHIP), which sets out proposals for affordable housing investment during 2020–2025.
- 1.2 The report also updates members on the 2019/20 affordable housing programme.
- 1.3 The proposals contained within this report will assist in meeting part of the aims expressed within “Local Voices/Highland Choices”, namely that the Council and its partners will aim to build 500 new affordable homes every year for the next 5 years.

### **2 Recommendations**

- 2.1 Members are asked to:
  - approve the Strategic Housing Investment Plan, as submitted to the Scottish Government in draft form, included within **Appendix 1**; and
  - note the planned investment programme as included within **Appendix 2**.

### **3 Implications**

- 3.1 Resource – The Council House Build proposals contained within SHIP will be progressed in line with the current agreed funding mechanisms of the Scottish Government Grant, Landbank subsidy and Prudential Borrowing (this may be subject to change post 2021 following the Scottish Government review of affordable housing)
- 3.2 Legal - no significant legal issues
- 3.3 Community (Equality, Poverty and Rural) - This report will assist in the delivery of affordable housing in rural areas.

- 3.4 Climate Change/Carbon Clever - neutral impact
- 3.5 Risk – It is considered that any risk to the Council will be covered by the security over the land that is the subject of any loan.
- 3.6 Gaelic - no impact

#### **4. Background**

- 4.1 This report introduces the Highland's Strategic Housing Investment Plan 2020-2025, a draft of which is included as **Appendix 1** of this report.
- 4.2 Local authorities' Housing Strategies, and specifically their Strategic Housing Investment Plans (SHIPs), are the key statements of local housing development priorities which are used to guide funding. They assist the Government in targeting its Affordable Housing Investment Programme (AHIP). SHIPs contribute to achieving better prioritisation and making best use of public resources at a time when these are particularly constrained.
- 4.3 Strategic Housing Investment Plans (SHIPs) are developed in line with Scottish Government guidance which sets a submission date of 29 October. The SHIP has been submitted as a draft pending Committee's agreement of the priorities and prioritisation processes set out within **Appendix 1**, in the knowledge that it contains a degree of over-programming. An indicative programme up to 2024/25 is included at **Appendix 2** of this report. It is intended that amended planned investment programmes will be reported to Committee on an annual basis, with individual projects being submitted for approval as required.

#### **5 2019/20 programme update**

- 5.1 At the meeting of Environment, Development and Infrastructure (EDI) Committee held on 8 November 2018, Members agreed the Highland's Strategic Housing Investment Plan (SHIP), which set out proposals for affordable housing investment during 2019–2024, reaffirming the commitment to deliver an average of 500 new affordable homes per annum of which 70% will be for affordable rent and 30% for intermediate affordable housing (e.g. low cost home ownership or mid-market rent), in line with the overall Scottish Government targets.
- 5.2 The number of tender approvals to date for 2019/20 is 159 and the number of completions is 88. We anticipate a total of 500 tender approvals and 375 completions by March 2020.
- 5.3 As reported to Committee previously, the affordable housing development programme has been constrained by many issues outside of our control. There is a lack of economically deliverable sites in areas of greatest housing pressure, particularly in Inverness, Nairn and parts of Skye, and the issues raised are proving more challenging now than ever before:
  - 5.3.1 In the Inverness area, and in most of the Inner Moray Firth area, the majority of the affordable housing is delivered through section 75 agreements whereby developers must deliver 25% of these developments as affordable housing. We are dependent upon private developers progressing with their private developments to release the affordable housing sites however developers will only progress the private housing based on their business plans, cash flows and confidence in market conditions and many of the inverness sites in particular have been delayed due to slow progress on private developments resulting in delays to the delivery of affordable housing

- 5.3.2 Landowners often have high expectations of land values and do not fully understand the impact of constraints and abnormal costs on land value. It is difficult for the Council to compete with private developers on potential sites due to high land values.
- 5.3.3 In Inverness in particular, there are constraints due to school capacity issues which result in housing projects not proceeding due to concerns over the impact of the new housing on school role forecasts
- 5.3.4 The increased developer contributions, particularly due to the school capacity issues, have resulted in affordable housing projects becoming unviable. Scottish Government housing grants do not cover the additional cost of developer contributions.
- 5.3.5 There can be significant delays in obtaining statutory approvals including planning permission, (including purification of conditions), RCC consents and Scottish water consents. We are working closely with our planning colleagues and others to ensure that all consultants and contractors are fully aware of the statutory authority requirements to minimise these delays.
- 5.3.6 Some identified potential site purchases are being aborted due to landowners no longer being willing to sell, or due to local concerns over loss of green space and other land in their areas and direct opposition to new affordable housing. This has resulted in strategic projects in areas of high unmet housing needs not proceeding.
- 5.3.7 Significant infrastructure/abnormal costs on certain available sites have made sites unviable after full site investigations have been carried out e.g. very high decontamination costs, peat management, rock removal.
- 5.3.8 The increase in the number of new affordable homes being built has tested the overall capacity of the construction industry to deliver resulting in high tender costs and value engineering and retenders. There is only a very limited pool of contractors willing and able to build affordable housing projects, some open tender processes have resulted in only one or two tender returns.
- 5.4 Council officers meet weekly with the Scottish Government and our affordable housing partners and planning colleagues to identify new potential projects or projects which can be brought forward to minimise slippage in expenditures. Projects which have been delayed can be funded in future years the Scottish government agreement.
- 5.5 The current funding levels from the Scottish government are available until March 2021. The Scottish government are currently carrying out a review of their affordable housing strategy post 2021 and we will report back to members on the outcome of the review and the impact it will have on the highlands affordable housing programme once this is known. Given the uncertainty of future funding levels it is essential that the council and its partners achieve as many tender approvals as possible this financial year to secure future funding.

## **6 Highland's Strategic Housing Investment Plan 2020 - 2025**

### **6.1 Highland's Strategic Housing Investment Plan (SHIP):**

- sets out The Highland Council's key housing investment priorities and demonstrates how they will be delivered so that the outcomes and targets set out in Highland's Housing Strategy and Highland First are achieved;
- sets out opportunities for development across Highland;

- identifies resources which are required to deliver these; and
- enables partners such as housing associations and developers to be involved.

As referred to previously, the SHIP will be subject to variation pending the Scottish Government review of affordable housing post 2019/20.

- 6.2 The draft has been prepared on the basis that it will be possible to approve at least 500 units each year, of which 70% will be for affordable rent and 30% for intermediate affordable housing (e.g. low-cost home ownership or mid-market rent), in line with overall Scottish Government targets.
- 6.3 Due to the economic climate, site challenges and national policy indications, it is anticipated that programme changes are likely. The Strategic Housing Investment Plan therefore proposes criteria which will be used to prioritise the programme should resources be different than presently anticipated.
- 6.4 The Council works with a range of partners, through various processes to drive forward delivery and in particular the Highland Housing Development HUB through which the Council, their housing association partners and Scottish Government meet to monitor the investment programme and agree site priorities based on the Housing Strategy and SHIP. Invariably sites will drop out of the programme if they become undeliverable whilst others will be brought into the programme.
- 6.5 The individual priorities within areas will be discussed further with area committees where additional communities and sites may be identified to be included in the overall strategic housing investment plan.

Designation: Executive Chief Officer Transformation and Economy

Date: 30 October 2019

Author: Allan Maguire, Head of Development and Regeneration

# **The Highland Council**

## **Strategic Housing Investment Plan**

**2020/2025**

## **1. Introduction**

The Council's current Local Housing Strategy was approved in December 2017. The main objectives are:

- Increase the supply of housing in Highland so that we have enough homes in the right places to meet housing needs
- People are supported 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 Quality and condition of the housing stock and minimise fuel poverty

The main purpose of The Highland Council's Strategic Housing Investment Plan (SHIP) is to set out how investment in affordable housing will be directed over the five year period 2020/21 to 2024/25, in order to achieve the priorities that have been identified in the Council's Local Housing Strategy (LHS).

The Council's SHIP will contribute to the national Affordable Housing Supply Programme (AHSP), assisting in fulfilling the Scottish Government's commitment to deliver at least 50,000 new affordable homes during this Parliament, as well as to extend delivery beyond that period.

The Highland Council's Programme 2017 – 2022, "Local Voices/Highland Choices", states that The Council and its partners will aim to build 500 new affordable homes every year for the next 5 years.

## **2. Strategic Context**

Housing is crucial to the growth of Highland's economy and the sustainability of its communities. There are large numbers of households across Highland experiencing 'housing need' whilst at the same time, there continues to be substantial pressure on Highland's supply of affordable housing. The Council's Housing Need and Demand Assessment (HNDA) was completed in 2015. Updated guidance on HNDA was issued on 15 October 2018 and we will use this to refresh our current modelling over the next 18 months. In the meantime housing need and demand information to inform the SHIP is based on ongoing monitoring of the Council's Housing Need and Demand Assessment, information on homelessness trends and pressures and information from NHS Highland (adult services) and the Council's Care and Learning Service (young people). This is coordinated through weekly partnership meetings.

The Council has a common housing register shared with the main Highland Housing Associations which indicates:

- A gradual increase in applicants on the Highland Housing Register.
- Fairly stable numbers of homelessness pressures.
- 1,300 of the overall number of applicants (7,890) on the housing register, currently living in accommodation that does not meet their current health / mobility needs
- There are continuing high levels of housing need and housing pressures across most of Highlands, with particular concentrations in some communities.

The Scottish Government accepted in principle the recommendations of the Homelessness and Rough Sleeping Action Group in June 2018.

One of the key recommendations from the Group is a swift transition to a Rapid Rehousing approach, including Housing First when appropriate.

The Council has an existing commitment to shift the balance of temporary accommodation from private sector HMO accommodation to furnished accommodation from our own stock. We are aiming to increase Council owned accommodation by 50 units a year, most of which need to be in Inverness. This shift is being driven by the housing development programme.

The Council's Rapid Rehousing Transition Plan has been submitted to the Scottish Government. Initial analysis confirms that although homelessness is a major issue across many areas, in terms of case numbers, housing pressure and average time spent in temporary accommodation the most significant needs arise in Inverness. Action to reduce the time spent in temporary accommodation will create particular challenges in Inverness where over 60% of current allocations are to homeless households.

A high proportion of homeless applicants are single people and / or aged 25 or under and need one bedroom properties.

Our Rapid Rehousing Plan considers these issues in more detail and will be subject to further discussion with the Highland Housing HUB (see below) to ensure that the SHIP is contributing fully to addressing homelessness.

### **3. Strategic Targets**

Highland's draft LHS sets the targets for affordable housing, and the SHIP sets out how resources will be used over 5 years (2020-2025) to deliver these affordable housing priorities. The priorities listed in the SHIP tables are fully consistent with our current LHS targets of around 500 units per annum.

Housing Market Area (HMA)	Target % of Investment	RPA <sup>1</sup> over 5 years (£m)	Unit Approvals per year	Unit Approvals 5 years
<b>Badenoch &amp; Strathspey</b>	<b>6</b>	9.90	30	150
<b>Caithness*</b>	<b>4</b>	6.60	20	100
<b>Inverness</b>	<b>44</b>	72.60	220	1100
<b>Lochaber</b>	<b>8</b>	13.20	40	200
<b>Nairn</b>	<b>6</b>	9.90	30	150
<b>East Ross</b>	<b>10</b>	16.50	50	250
<b>Mid Ross</b>	<b>10</b>	16.50	50	250
<b>Wester Ross</b>	<b>3</b>	4.90	15	75
<b>Skye &amp; Lochalsh</b>	<b>6</b>	9.90	30	150
<b>Sutherland</b>	<b>3</b>	4.90	15	75
<b>Highland</b>	<b>100</b>	<b>165.00</b>	<b>500</b>	<b>2500</b>

\* It is important to note the Local Housing Strategy specifies that the target for investment in Caithness is based on the need for regeneration activities to address low demand e.g. using the existing stock.

The Highland's Housing Need and Demand Assessment (HNDA) 2016 identified a need to build around 2,500 new houses for affordable rent in the years to 2020 to meet households' housing needs.

#### 4. Partnership Framework

We take a positive partnership approach in forward planning and resolving development issues with our housing, planning and private developer partners, continuing to work constructively to overcome constraints.

The Highland Housing HUB, which was established in June 2016, meets weekly. This has resulted in housing associations who had previously stopped or significantly reduced their development programmes being brought back to the table as they are now keen to develop more.

HUB membership includes staff of:

- The Scottish Government's More Homes Scotland
- Highland Council
- Developing housing associations

The HUB has set a number of objectives:

- Deliver the Highland 5 year new build Affordable Housing Programme.
- Collectively agree a revised Highland Strategic Housing Investment Plan based on the priorities set out in the Local Strategy.

---



- 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

HUB meetings are structured with meeting themes' agreed in advance. Long term planning of meetings ensures that all areas which may impact on housing delivery are covered e.g. quarterly invites to Scottish Water and SEPA whilst other meetings are geographically focused e.g. Caithness meetings are held in Wick and focused on regeneration.

Six Local Development forum (LDF) sub groups operate at an HMA level. Their remit is to consider potential sites. Increasingly there is a need to target resources to meet LHS objectives through solutions which provide best value rather than, for example, exceptionally expensive projects or less targeted/more opportunistic investment projects. As such the group also takes into account:

- The priority of the community for investment
- Value for money and best use of subsidy
- Deliverability and constraints
- Partnership working
- Proximity to services and facilities
- Housing Mix

Each LDF consists of a wide range of housing development partners; Council Development, Housing and Planning staff, Scottish Government, RSLs, SEPA, Scottish Water, Highland and Islands Enterprise as well as other Council and external invitees such as Health and Social Care as and when required.

The Council also holds regular programmed one to one meetings with housing associations and developers. In addition we continue to meet with the Scottish Government on a quarterly basis at the Highland Joint Investment Group to discuss any issues relating to the Highland programme.

## **5. Strategic Priorities**

Within each Housing Market Area, investment will be mainly targeted at communities identified as having the greatest affordable housing pressures in the LHS. The priority communities for providing new affordable housing are set out in Appendix 1 .The priority for Caithness should be on regeneration activity in order to address very localised issues of low housing demand and contribute to wider economic regeneration. These priorities recognise the importance of investing in small rural communities as well as larger communities.

Our investment decisions also recognise the Council's corporate priorities. As such, there may also be occasions where joint funded housing investment decisions are driven by non-housing objectives such as supporting the success of community trusts in fragile remote rural communities and local regeneration projects and larger economic drivers e.g. the Smelter expansion in Fort William.

Whilst the HNDA identifies most households in housing need require social rented housing, some housing needs and aspirations can be better addressed other low-cost housing options. We recognise that a mix of affordable tenures can help to create well-balanced communities. This has influenced our target for the mix of affordable housing to be provided.

It has been identified that throughout the highlands there is shortage of housing options for a variety of key workers and this can be partially addressed by increased supply of mid-market and low-cost home ownership options, particularly in rural areas .

Because of this, whilst social rented housing will make up a greater share of our new affordable housing provision; aiming for around 70% of new affordable provision to be delivered as housing for social rent from housing associations/the Council, around 30% will be provided as 'intermediate' affordable housing with 'New Supply LIFT' and mid-market rented housing models as the priority mechanisms.

The size of affordable housing built will aim to meet strategic and locally evidenced current and projected needs. Processes are put in place for each potential site to develop agreement on the tenure and house size mix. The Housing Development Team participates in early pre-planning and planning discussion where affordable housing is required, and any associated community consultation. The Team also meets regularly with developers, architects, RSLs, Highland Housing Alliance and the Highland Small Communities Trust on specific sites to discuss tenure type, mix and programme in line with meeting LHS and SHIP priorities.

## **6. Highland Council Contribution to Enabling Delivery**

We continue to play a proactive role to enable the delivery of affordable housing, using a variety of mechanisms to achieve this:

### **6.1 Use of Council land and assets**

The Council remains committed to identifying all surplus Council assets and prioritising them for affordable housing in areas of housing stress. An on-going strategic review of Council owned assets feeds into a register of assets/sites that may be suitable for affordable housing.

### **6.2 Use of Council tax revenue from second and long term empty homes**

We use any surplus revenue from Council tax from second and longterm empty homes to fund new Council housing, infrastructure and as a contribution to high cost rural and other projects.

### **6.3 Use of other Council funding**

There is a well-established recyclable Landbank Fund, used to maximise housing provision by granting loans and grants to housing agencies. This enables a landbank of strategic sites throughout the highlands to be established; removal of infrastructure constraints and front-funding of projects at risk of delay. It can also contribute to high cost rural projects.

The Council also funds early site feasibility studies to proactively identify constraints and develop solutions.

### **6.4 Use of Compulsory Purchase Orders**

The Council will promote and apply their CPO powers for housing purposes, to deliver new affordable housing in areas of unmet housing demand where other negotiations have failed. The Council will also use CPO powers to bring back empty properties into use where other negotiations have failed

### **6.5 Evergreen Infrastructure Fund**

The Council has successfully assisted in delivery of 3 major housing projects by making available loan finance through the Evergreen fund for infrastructure improvements in Fort William, Drumnadrochit and Inverness. The Council will consider loan applications to the Fund that relate to other major sites and use the Fund as grant funding for high cost affordable housing sites which are constrained by high infrastructure costs

### **6.7 Developers contributions**

The Highland-wide Local Development Plan sets out the Affordable Housing Policy. Section 75 and other mechanisms are used, where justified, to secure developer contribution where there is a demonstrable need for affordable housing. However in recent years, as a result of a less confident housing market, the SHIP has had to become less reliant on the Affordable Housing Policy to ensure sufficient levels of programming for the Council and other developing partners. Additional pressure is placed on the delivery of affordable housing by the requirement to meet other developer contributions, particularly the additional pressure new development places on school pupil number capacities.

### **6.5 Prudential borrowing**

The Council is a major affordable housing developer delivering an ambitious programme of new council houses. Along with prudential borrowing and other Council contributions, projects are funded by Scottish Government contributing around 44% of costs.

Many of the sites being taken forward for council housing are being developed in partnership with our housing association partners. There is a focus 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.

Additionally, our prudential borrowing has been able to support onward lending to the Council's development partners for other initiatives such as delivery of mid-market rent housing and rural housing projects.

## **7. Deliverability**

### **7.1 Funding**

Delivery of the SHIP is dependent on ensuring financial viability of projects with sufficient development funding.

The Scottish Government has allocated grant of £45.612m to Highland for 2019/20 and £48.400m for 2020/21. Investment has not been confirmed for future years and we await the outcome of the post 2021 affordable housing review, but for the purposes of planning it is assumed that funding levels will be at similar levels to 2019/20. We aim to deliver at least 500 units a year and will seek to increase our levels of delivery should further funding opportunities arise.

We recognise the Government's aspiration to maximise the value from subsidy, and in an increasingly challenging funding environment, and it is imperative that we and our partners continue to improve procurement effectiveness and efficiency.

Generally, prioritised projects that are unable to start because of a lack of resources will be assumed to slip into the following year's programme (if possible) so that strategic targets can be achieved. If additional funding is sourced, prioritised projects will be brought forward. There is also an element of over-programming. This is intended to enable best use of any additional resources, should they be identified, enabling flexibility to deal with any opportunities and slippage.

The challenges to delivery should not be underestimated, there is a lack of economically deliverable affordable housing sites in the Highlands for a variety of reasons and we are consistently to work to overcome the constraints to delivery

In particular, development in rural communities is expensive, and we will continue to promote the needs for unavoidable costs to be recognised so that rural communities do not lose much needed investment.

### **7.2 Innovation**

To address these issues, we are committed to finding ways to tackle these resource challenges by continuing to explore new sources of finance, including; alternative approaches to investment, new mechanisms for providing housing, and consider new ways of developing wider income generation.

We continue to promote the Scottish Government's Low Cost Home Ownership initiatives, including New Supply Shared Equity designed to facilitate access to home ownership for people wishing to own their own home.

The Council has previously participated in the Scottish Government's National Housing Trust (NHT) Initiative. This involved the Council joining with developers with the aim of providing mid-market rented houses, in areas of high demand. This met an element of the short to medium term 'intermediate' housing needs which were identified in Highland's Housing Need and Demand Assessment. We aim to continue to develop housing for mid-market rent in areas where need is established.

We have actively supported an innovative funding project with the Highlands Small Communities Housing Trust; a rent to buy scheme designed to provide additional affordable housing in rural areas. Under the scheme HSCHT would initially rent a completed house to an individual and set aside a pre-agreed element of the rent to build up a deposit to enable the tenant to purchase their home after five years.

The Council operates a policy to purchase individual properties on the open market to meet local housing needs in communities there are particular housing pressures which are not able to be met within the housing development programme.

To overcome current and anticipated future resource challenges the Council and our partners are also looking at:

- Meeting with representatives of investment funds to explore new sources of finance and alternative approaches to investment.
- Working with Highland Housing Alliance, a development company to explore new potential mechanisms for providing housing and new housing models.
- Supporting communities to develop new community based models of housing such as those provided in Helmsdale, Drumradrochit, Kinlochbervie and Achiltibuie.
- Continuing to work with developers to use the Evergreen Infrastructure Loan Fund to open up sites for affordable housing development.
- Working with HSCHT to bring forward new mechanisms to provide housing in rural communities. This includes provision of bridging finance enabling households to overcome constraints and access mortgages for self-build.

### **7.3 Land Supply**

As well as identifying and landbanking Council owned sites suitable for affordable housing, we will continue to work in partnership with Planning to identify and develop additional housing land within priority areas.

The complexities of land ownership can constrain developments. To address this, the Council continues to work internally between services and with our developing partners, through the Highland Housing HUB, to identify issues at an early stage and try to resolve them without lengthy delays.

The Council's Housing Development section holds regular meetings with our Planning and infrastructure colleagues and stakeholders to discuss any arising issues from development and work towards identifying affordable and solutions to enable developments to progress timeously.

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 where appropriate.

The communities in the SHIP are considered to have the greatest housing pressures. However, we also recognise the value of supporting the development of self-build plots, when these represent good value in priority rural communities. In addition the benefits of 'windfall' sites are also reflected (sites yet to be proposed by developers) which will provide better value for money in priority communities. Our experience is that these provide valuable contributions particularly in communities with few unconstrained sites. Given the economic climate, we anticipate developers continuing to approach us with such opportunities.

A number of other public agencies including NHS Highland, the Forestry Commission, Police Scotland, and the National Trust also effectively contribute to helping provide affordable housing by selling their land within a framework which gives the Council and our housing partners an opportunity to purchase prior to open marketing. This is extremely useful in communities where suitable land is in short supply. We will continue to work with public agencies to identify and negotiate development opportunities.

Where negotiations with individual landowners fails The Council will actively use its CPO powers to acquire affordable housing sites.

At a political level, the Council will continue to raise awareness of Highland's challenges and offer solutions to the Government to support new mechanisms to be developed and resources to be made available to overcome constraints, particularly in the rural communities.

## **Equalities**

Highland's Housing Strategy states a clear commitment to promoting and achieving equal opportunities. The Equality Act 2010 places duties on local authorities and others to eliminate unlawful conduct, advance equality of opportunity, foster good relations, and take into account the needs of people relating to age, disability, gender, race, religion and belief, sexual orientation and transgender.

In the context of Highland's SHIP, activities which are supporting equalities include:

- Building affordable housing to Housing for Varying Needs Standards
- Building houses to meet the specific needs of disabled households
- Provision of equipment and adaptations
- Developing mixed communities by seeking on-site affordable housing in small groupings synchronised with overall development phasing
- Allocating housing via Highland's Housing Register
- Provision of affordable housing in rural communities which helps to provide opportunities for young and old people to stay.

## **Equalities Impact Assessment**

The development of the SHIP has taken into account the outcomes of the equalities impact assessment which was undertaken for the LHS 2017-2022. This concluded no negative impacts were anticipated from the outcomes and actions prioritised in the LHS.

The SHIP programme will deliver properties designed to meet a range of requirements and provision has also been made by the Council, as detailed within the appended tables, for resources to assist in delivering adaptations.

## **Specialist Provision**

The Highland Council supports the Scottish Government's agenda for housing care and support and for shifting the balance of care, to enable independent living of older Households and other vulnerable people. The Local Housing Strategy identifies a number of key actions in relation to specialist provision, as follows:

1. Increase the use of technology enabled care and flexible housing design innovations in support of preventative and anticipatory approaches to housing provision. .
2. Work closely with the Highland Joint Transitions Team to identify and plan for the future accessible housing needs of young adults in Highland to enable them to live independent lives with access to the same opportunities as other young people.
3. Make the best use of existing housing to allow people to live longer, healthier lives at home.
4. Increase the supply, and test innovative approaches to specialist housing: for example the FIT homes pilot.
5. Redesign and improve housing adaptations services to a tenure neutral, integrated, person centred model.
6. Collaborate with NHS Highland and other partners to develop appropriate intermediate housing options.
7. Review and integrate local arrangements for the allocation of specialist housing provision across competing client groups, including children moving into adult services.
8. Continue to prioritise 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.

Since January 2013, the Council's Sustainable Design Guide Supplementary Planning Guidance has actively promoted Lifetime Homes Standards, and for social sector housing is built to Housing for Varying Needs Standards wherever possible.

This means all new housing will need to be accessible and rooms within the buildings of a suitable size to allow for future adaptations should a person become disabled or have other needs identified.

There is an increasing need for larger homes and properties more suited to elderly tenants and those with very particular needs. The mix with new developments reflects these changing needs.

Any capital investment in care service housing projects requires a partnership approach and will only be supported if essential revenue funding is available from Health and Social Care budgets.

### **Strategic Environmental Assessment**

Consideration has been given to whether a Strategic Environmental Assessment of this SHIP is required, and as "responsible authority" the Council has taken the decision that this is not necessary. The LHS was subject to pre-screening under the Environmental Assessment (Scotland) Act 2005, where it was determined that a full assessment of the LHS was not required. The Local Development Plan which identifies land supply for housing was subject to a full Strategic Environmental Assessment in 2013, and the LHS was developed in tandem. The environmental impacts associated with delivery of the SHIP programme will be captured through monitoring of the Local Development Plan.

### **Sustainability**

The proposed projects will incorporate measures supportive of sustainable design and construction and energy efficient features in accordance with Scottish Government standards and Building Standards. We will seek to achieve where possible, at a minimum, Section 7, Silver Level of the 2011 Building Regulations in respect of both carbon dioxide emission and energy for space heating.

We share the Scottish Government's aspirations set out in the Sustainable Housing Strategy (2012). Highland's Registered Social Landlords and the Council, have an on-going commitment to improve energy efficiency, the quality and environmental standards of new housing developments, contributing to reducing carbon dioxide emissions and helping meet the challenge of climate change as has been evidenced over the years. This is particularly important given Highland's climate and limited access to cheaper fuel.

The Energy Efficiency Standard for Social Housing (EESH) introduced by Scottish Government aims to improve the energy efficiency of social housing in Scotland. It will help to reduce energy consumption, fuel poverty and the emission of greenhouse gases. It will make a significant contribution to reducing carbon emissions by 42 per cent by 2020 and 80 per cent by 2050 in line with the requirements set out in the Climate Change (Scotland) Act 2009.



The commitment to move away from use of Gas for space heating and hot water will require greater use of renewable heat sources such as air-source heat pumps.

### **Consultation**

In developing the final SHIP 2020/21 to 2024/25, stakeholders and partners feed into the process in various ways. We discussed future planning and investment priorities at our partnership framework meetings, as well as through informal discussion with a wider range of internal and external partners. The SHIP will be circulated to other Council Services, RSLs, private developers, as well as representative organisations and public sector organisations such as the NHS.

### **Conclusion**

In this SHIP we aim to set out our clear strategic direction for our investment priorities for Affordable Housing. We will continue to monitor and review progress through the partnership framework and regular programming meetings with the Scottish Government's Housing Investment Division.

### **Contact Information**

If you have any questions or would like further information, please email: [DI-CustomerService@highland.gov.uk](mailto:DI-CustomerService@highland.gov.uk) or contact: Housing Development Team, Development & Infrastructure.

## Annex 1 LHS Priorities for Affordable Housing Investment 2018 – 2023

<p>Badenoch &amp; Strathspey:</p> <ul style="list-style-type: none"><li>• Aviemore is the highest priority</li><li>• All other communities, apart from Dalwhinnie, are priorities (albeit those with recent investment are lower priorities).</li></ul>
<p>Caithness:</p> <ul style="list-style-type: none"><li>• Caithness's communities are a priority for regeneration activities e.g. using the existing stock. The highest priorities are greater Wick and Thurso.</li></ul>
<p>Inverness:</p> <ul style="list-style-type: none"><li>• Inverness City is the highest priority</li><li>• Beauly; Ardersier; Drumnadrochit and Fort Augustus are priorities</li><li>• The communities around South Loch Ness are priorities for investment potentially through local community initiatives.</li></ul>
<p>Lochaber:</p> <ul style="list-style-type: none"><li>• Fort William and the surrounding communities are the highest priorities in recognition of the additional pressures due to the expansion of the Smelter.</li><li>• Small discreet investment to support the sustainability of the Ardnamurchan peninsula's rural communities, e.g. Acharacle, are also a priority</li></ul>
<p>Nairn:</p> <ul style="list-style-type: none"><li>• Nairn town is the highest priority.</li></ul>
<p>Easter Ross:</p> <ul style="list-style-type: none"><li>• Priorities are Invergordon, Tain, Alness and Evanton</li><li>• Communities with recent housing investment are lower priorities.</li></ul>
<p>Mid Ross:</p> <ul style="list-style-type: none"><li>• Dingwall is the highest priority</li><li>• All other communities are priorities (albeit communities with recent investment are lower priorities).</li></ul>
<p>Wester Ross:</p> <ul style="list-style-type: none"><li>• Ullapool, Gairloch and Lochcarron are the highest priorities.</li><li>• Applecross, Achiltibuie and Torridon are priorities for investment potentially through local community initiatives</li></ul>
<p>Skye &amp; Lochalsh:</p> <ul style="list-style-type: none"><li>• Portree, Broadford and Plockton to Dornie communities are the highest priorities</li><li>• Other communities with recent investment are lower priorities.</li></ul>
<p>Sutherland:</p> <ul style="list-style-type: none"><li>• Dornoch, Clashmore and Embo are the highest priorities</li><li>• Lochinver is a longer term priority i.e. securing land for future development.</li><li>• The effect of the promotion of the NC500 route may influence investment.</li></ul>

	Social Rent The Highland Council	HA Rent Total Units	TENURE			Total	% of Total	NOTIONAL YEAR OF APPROVAL					
			LCHO (ALL) Shared Equity	MMR				Pre 2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Badenoch &amp; Strathspey</b>													
Aviemore, Aviemore Former School	20	0	0	10	30				30				
Aviemore, Reidhaven Estate (Dalfaber)		15	0	5	20			20					
Boat of Garten		0	0	0	0								
Carrbridge, Carr Road		8	0	4	12					12			
Carrbridge, Main Road	6	0	0	6	12		12						
Cromdale		0	0	0	0								
Cromdale S75	3	0	2	0	5		5						
Dulnain Bridge		0	0	0	0								
Dulnain Bridge, Dulnain Bridge	8	0	0	10	18		18						
Grantown-on-Spey, Beachan Court ph2	5	0	0	8	13		13						
Grantown-on-Spey, Lawson site		5	0	0	5				5				
Kincraig		6	8	10	24				24				
Kingussie	15	8	0	0	23		23						
Nethy Bridge, Nethy Bridge, Laing		5	0	0	5				5				
Nethybridge		0	0	0	0								
Newtonmore		8	0	6	14		14						
<b>Sub-total</b>	<b>57</b>	<b>55</b>	<b>10</b>	<b>59</b>	<b>181</b>	<b>5.7%</b>	<b>85</b>	<b>0</b>	<b>84</b>	<b>12</b>	<b>0</b>	<b>0</b>	

<b>Caithness</b>												
Dunbeath, Dunbeath HFO		4	0	0	4			4				
Thurso, Pennyland Phase 2		12	6	6	24					24		
Wick, Wick Regeneration		10	0	0	10				10			
<b>Sub-total</b>	<b>0</b>	<b>26</b>	<b>6</b>	<b>6</b>	<b>38</b>	<b>1.2%</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>24</b>	<b>0</b>	<b>0</b>

<b>Inverness</b>												
Ardersier	12	0	0	10	22		22					
Beauly, Fire Station site		10	0	2	12		12					
Croy, Highwood		21	4	0	25		25					
Dores, The Glebe		12	0	0	12				12			
Drumnadrochit, Drumnadrochit		0	0	0	0							
Drumnadrochit, Drumnadrochit Springfield	10	0	5	5	20			20				
Fort Augustus, Fort Augustus HFO	6	0	0	0	6			6				
Gorthleck, Gorthleck		2	2	0	4				4			
Inchmore	8	0	0	4	12			12				
Inverness, Academy Street (Farm Foods)	23	0	0	14	37		37					
Inverness, Anderson Street		20	0	10	30					30		
Inverness, Balloch Farm Ph 1	30	0	0	10	40			40				
Inverness, Balloch Farm Ph 2	30	0	0	10	40					40		
Inverness, Bogbain (west)		0	17	0	17		17					
Inverness, Bogbain (west) MoL11		21	0	0	21		21					
Inverness, Castle Street		0	0	8	8		8					
Inverness, Craigton Avenue	22	0	2	6	30			30				
Inverness, Culduthel		15	2	2	19		19					
Inverness, Easterfield Farm	30	0	0	0	30		30					
Inverness, Eastgate (hostel)		0	0	8	8			8				
Inverness, Fort Augustus		0	0	0	0							
Inverness, Inshes Small Holdings (north)	25	0	10	15	50				50			
Inverness, Inverfarigaig		5	0	0	5		5					
Inverness, Inverness East		0	0	0	0							
Inverness, Land at Druid's Temple		18	2	5	25				25			
Inverness, Land South of Asda (Robertsons)		45	8	15	68		68					
Inverness, Lomond Gardens (Kinmylies)	28	0	0	8	36		36					
Inverness, Lower Slackbuie (Slackbuie G)		22	0	0	22				22			
Inverness, Murray Road, Smithton	8	0	0	0	8					8		
Inverness, Ness Castle (MacRaes)		30	12	0	42		42					
Inverness, Ness Castle ph4		22	0	8	30		30					
Inverness, Ness Castle Phase 3		0	0	0	0		0					
Inverness, Ness side future phase		22	10	0	32					32		
Inverness, Ness side ph2 (A3)		22	0	4	26				26			
Inverness, Ness side ph4		26	6	8	40				40			
Inverness, Ness side phB4		46	10	12	68		68					

Inverness, Off the shelf purchases	7	0	0	3	10			10				
Inverness, Stevenson Road		10	0	10	20				20			
Inverness, Stratton (East, Barn Church Rd)	36	0	8	10	54	54						
Inverness, Stratton (East, Barn Church Rd) ph2	26	0	4	2	32				32			
Inverness, Stratton (West, Barn Church Rd) ph3		16	0	10	26		26					
Inverness, Stratton Lodge		17	0	8	25					25		
Inverness, Thistle Road	8	0	0	5	13					13		
Inverness, Thornbush Road	40	0	0	0	40					40		
Inverness, Torvean Caravan Park		12	0	0	12					12		
Inverness, Torvean ph1	36	0	0	0	36		36					
Inverness, UHI land west of Castlehill Road	17	0	0	0	17				17			
Inverness, Union Street	22	0	0	31	53		53					
Inverness, Wester Inshes Farm (north)		27	0	0	27						27	
Inverness, Wester Inshes Farm (south)		18	6	0	24					24		
Kirkhill		10	0	6	16			16				
Strathglass, Cannich		0	0	0	0							
Tornagrain, Tornagrain phase 1		8	12	0	20			20				
Tornagrain, Tornagrain phase 2		0	12	12	24		24					
Tornagrain, Tornagrain phase 3		14	5	5	24						24	
<b>Sub-total</b>	<b>424</b>	<b>491</b>	<b>137</b>	<b>266</b>	<b>1318</b>	<b>41.4%</b>	<b>580</b>	<b>215</b>	<b>248</b>	<b>224</b>	<b>51</b>	<b>0</b>

#### Lochaber

Acharacle, Acharacle		3	3	0	6				6			
Arisaig, Strathview		2	0	0	2		2					
Ballachulish, Ballachulish		15	0	0	15				15			
Canna		0	2	0	2			2				
Caol, Glenkingie Terr		12	0	0	12			12				
Duror		4	0	0	4						4	
Eigg		0	2	0	2				2			
Fulton House, Fort William		9	0	0	9		9					
Glencoe		12	0	0	12				12			
Glenfinnan		5	0	0	5						5	
Glenug		3	0	0	3						3	
Inchree		4	0	0	4				4			
Invergarry		0	4	0	4				4			
Kinlochleven, Kinlochleven		5	0	0	5					5		
Kinlochleven, Sutherland Avenue		4	0	0	4				4			
Lochaber House	9	0	0	6	15		15					
Lochaline		0	4	0	4				4			
Rum		0	4	0	4		4					
Schoolhouse, Borrowdale		1	0	0	1		1					
Spean Bridge, Burn Bank		2	0	0	2			2				
Spean Bridge, Hobbs ground		10	0	0	10			10				
Spean Bridge, Tigh Aran		20	0	0	20		20					
Strontian, Adjacent School		2	0	0	2		2					
Fort William, Biar Mor	96	0	10	11	117		117					
Fort William, Former Achintore Primary School	27	0	0	10	37		37					
Fort William, Glasdrum	6	0	0	0	6		6					
Fort William, Lundavra Road		20	0	0	20					20		
Fort William, Upper Achintore Ph 1		25	0	25	50			25	25			
Mallaig		8	0	0	8		8					
Strontian, School Road		3	0	0	3		3					
<b>Sub-total</b>	<b>138</b>	<b>169</b>	<b>29</b>	<b>52</b>	<b>388</b>	<b>12.2%</b>	<b>224</b>	<b>51</b>	<b>76</b>	<b>25</b>	<b>12</b>	<b>0</b>

#### Nairn

Nairn, Delnies	12		5	8	25						25	
Nairn, Cawdor Road		22	0	0	22		22					
Nairn, Lochloy Ph5		23	0	0	23		23					
Nairn, Nairn Town centre	12	0	0	0	12			12				
Nairn, Nairn Town centre	12	0	0		12				12			
Nairn, Sandown	20	0	15	15	50					25	25	
<b>Sub-total</b>	<b>56</b>	<b>45</b>	<b>20</b>	<b>23</b>	<b>144</b>	<b>4.5%</b>	<b>45</b>	<b>12</b>	<b>12</b>	<b>25</b>	<b>50</b>	<b>0</b>

#### Easter Ross

Alness, Alness East ph1		22	0	0	22			22				
Alness, Alness East ph2		16	4	6	26						26	
Alness, Dalmore, Phase 5		20	5	5	30		30					
Alness, Dalmore, Phase 6		17	8	0	25			25				
Alness, Darroch Brae	15	0	0	0	15						15	
Alness, Newfields		5	0	0	5		5					

Alness, Obsdale Road	20	0	0	0	20						20	
Evanton, Teandallon East	14	0	6	16	36			36				
Invergordon, Cromlet Ph1	20	0	0	10	30			30				
Kildary , Uquhart Close		6	0	2	8				8			
Seaboard Villages, Seaboard Villages	2	0	4	0	6					6		
Seaboard Villages, Seaboard Villages , Balintore	2	0	2	0	4				4			
Tain, Land to rear of Craighill Primary School	14	0	6	0	20						20	
Tain, Rowan Drive		14	0	6	20				20			
Tain, Seaforth		26	0	4	30					30		
<b>Sub-total</b>	<b>87</b>	<b>126</b>	<b>35</b>	<b>49</b>	<b>297</b>	<b>9.3%</b>	<b>35</b>	<b>113</b>	<b>62</b>	<b>6</b>	<b>81</b>	<b>0</b>

#### Mid Ross

Avoch, Memorial Field		12	0	12	24			24				
Conon Bridge, Drouthy Duck	10	0	0	10	20				20			
Conon Bridge, Ferintosh Centre	15	0	0	0	15							15
Conon Bridge, Pescanova		18	0	10	28					28		
Cromarty, Sandilands		12	0	0	12				12			
Culbokie		12	0	0	12			12				
Dingwall, Caberfeidh	6	0	0	0	6				6			
Dingwall, Dingwall North, Chestnut Road		30	7	0	37			37				
Dingwall, Meiklefield	10	0	0	12	22					22		
Dingwall, Ross House/Picture House	24	0	0	6	30			30				
Dingwall, St Andrews Road	20	0	0	8	28				28			
Dingwall, Tulloch Square		16	0	4	20						20	
Evanton, Culcairn		15	5	0	20					20		
Fodderty, Fodderty Former Primary School playgrou	2	0	4	0	6					6		
Fortrose & Rosemarkie, Greenside Farm		7	0	6	13			13				
Maryburgh, Donald Cameron Court Ph 2		12	0	0	12				12			
Maryburgh, Former Maryburgh Primary School	14	0	0	0	14			14				
Muir of Ord, South of the Cairns		15	0	0	15				15			
Newhall, Former school playground		4	4	0	8						8	
Strathpeffer, Kinellan	14	0	0	12	26			26				
Tore, Woodneuk	4	0	0	0	4					4		
<b>Sub-total</b>	<b>119</b>	<b>153</b>	<b>20</b>	<b>80</b>	<b>372</b>	<b>11.7%</b>	<b>156</b>	<b>93</b>	<b>32</b>	<b>48</b>	<b>28</b>	<b>15</b>

#### Wester Ross

Lochcarron, Kirkton	6	8	0	0	14			14				
Lochcarron, Kirkton phase 2		4	0	0	4						4	
Poolewe		0	4	0	4			4				
Applecross		0	3	0	3				3			
Gairloch, Achtercairn West	8	0	8	0	16				16			
Gairloch, North Fasaich		0	5	0	5					5		
Sheildaig		2	2	0	4				4			
Shieldaig		0	4	0	4				4			
Ullapool North	20		15	15	50				20		30	
<b>Sub-total</b>	<b>34</b>	<b>14</b>	<b>41</b>	<b>15</b>	<b>104</b>	<b>3.3%</b>	<b>18</b>	<b>0</b>	<b>47</b>	<b>5</b>	<b>34</b>	<b>0</b>

#### Skye & Lochalsh

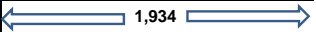
Broadford, Caberfeidh phase 1		12	0	0	12							12
Broadford, New site, Campbell's Farm		54	0	0	54			24		30		
Dornie, St Duthac Drive phase 4		6	0	0	6					6		
Glenelg, Glenelg		4	0	0	4				4			
Kyle, Hydro Site		6	0	0	6			6				
Kyleakin, Kyleakin Phase 2		28	0	0	28				28			
Portree, Bayfield Lane		12	0	0	12					12		
Portree, Nicolson Site	10	18	5	4	37					25		12
Portree, Portree (Old DAFS Shed site)		3	0	0	3			3				
Portree, Rapson's Site, Portree		17	0	0	17			17				
Portree, Sluggans/ Struan Road		28	0	0	28			28				
Portree, Woodpark	12	0	0	0	12				12			
Raasay		4	0	0	4			4				
Sleat, Armadale Garden Site		16	0	0	16				8	8		
Sleat, Sleat (Kilbeg) phase 1	6	8	0	0	14			14				
Sleat, Sleat (Kilbeg) phase 2	4	0	0	0	4					4		
Staffin		6	0	0	6			6				
Staffin, Land at Village Hall (Garafad)		0	3	0	3						3	
Uig		3	0	0	3				3			
<b>Sub-total</b>	<b>32</b>	<b>225</b>	<b>8</b>	<b>4</b>	<b>269</b>	<b>8.4%</b>	<b>78</b>	<b>79</b>	<b>49</b>	<b>39</b>	<b>12</b>	<b>12</b>

#### Sutherland

Bettyhill		0	2	0	2			2				
-----------	--	---	---	---	---	--	--	---	--	--	--	--

Edderton	4				4				4			
Embo	4				4						4	
Golspie	12				12			12				
Kinlochbervie, Kinlochbervie, OTS		0	2	0	2			2				
lochinver	6			4	10				5	5		
Stoer		0	2	0	2				2			
Dornoch, Elizabeth Crescent	16	0	6	8	30		30					
Dornoch, Stafford Road		10	0	0	10					10		
<b>Sub-total</b>	<b>42</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>76</b>	<b>2.4%</b>	<b>32</b>	<b>14</b>	<b>11</b>	<b>15</b>	<b>4</b>	<b>0</b>

<b>Grand Total</b>	989	1314	318	566	3187	1253	581	631	423	272	27
--------------------	-----	------	-----	-----	------	------	-----	-----	-----	-----	----

**Total over 5 years of SHIP**   
= average of 384 per year