

HIGHLAND COUNCIL

Agenda Item	6
Report No	ECI/27/20

Committee: Economy and Infrastructure

Date: 4 November 2020

Report Title: Strategic Housing Investment Plan

Report By: Executive Chief Officer Infrastructure and Environment

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 2021–2026. The Scottish Government requires this paper to be submitted by mid-December 2020.
- 1.2 The report also updates Members on the 2020/21 affordable housing programme.

2 Recommendations

- 2.1 Members are asked to:
 - approve the Strategic Housing Investment Plan, and that this be submitted to the Scottish Government in draft form pending consideration by Area Committees, all as 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.
- 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 2020-2026, 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 mid-December 20. The SHIP has been prepared as a draft pending Economy and Infrastructure Committee's (ECI) agreement and consideration of any subsequent comments received from Area Committees. It has been prepared in recognition of the priorities and prioritisation processes set out within **Appendix 1**, and in the knowledge that it contains a degree of over-programming. An indicative programme up to 2025/26 is included at **Appendix 2** of this report. It is intended that proposed amendments to the planned investment programme, will be reported to Committee as well as being reported on an annual basis, with individual projects being submitted for approval as required.

5 **2020/21 programme update**

- 5.1 At the meeting of Environment, Development and Infrastructure (EDI) Committee held on 7 November 2019, Members agreed the Highland's Strategic Housing Investment Plan (SHIP), which set out proposals for affordable housing investment during 2020–2025, reaffirming the commitment to deliver an average of 500 new affordable homes per annum of which approximately 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 2020/21 is 104 and the number of completions is 91. It is anticipated that there will be a total of 500 tender approvals and 626 site starts and 370 completions by March 2021. The relatively high number of site starts is a result of starts on larger developments such as the development at Blar Mor, Fort William
- 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.
- 5.4 In the Inverness area, and in most of the Inner Moray Firth area, the majority of 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 timeously 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.

- 5.5 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.
- 5.6 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.
- 5.7 Developer contributions, particularly due to the school capacity issues, remains a challenge to the delivery of projects. Scottish Government housing grants do not cover the additional cost of developer contributions.
- 5.8 There can be delays in obtaining statutory approvals such as planning permission, (including purification of conditions), Roads Construction Consents and Scottish Water consents due to insufficient information. 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.
- 5.9 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.
- 5.10 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.
- 5.11 In some areas the increased 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.
- 5.12 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.
- 5.13 The National lockdown caused by COVID 19 and the restricted working methods to comply with social distancing has resulted in delays in all the affordable housing projects.
- 5.14 Brexit will have an impact on construction supplies, times and costs. This extent of the impact is unknown at this stage but it is expected to impact on tender costs.
- 5.15 The current funding levels from the Scottish Government are available until March 2021. The Scottish Government is currently carrying out a review of their affordable housing strategy post 2021. However early indications are that Scottish Government support for affordable housing will remain at similar levels for the next 5 years. The Scottish Government's Infrastructure report recognises the importance of the delivery of affordable housing to the economic and social resilience of Scotland post COVID.

6 Highland's Strategic Housing Investment Plan 2021 - 2026

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.

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 continuing effects of COVID, 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 for inclusion in the overall Strategic Housing Investment Plan.

Designation: Executive Chief Officer Infrastructure and Environment

Date: 26 October 2020

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The Highland Council

Strategic Housing Investment Plan

2021/2026

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 2021/22 to 2025/26, 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 12 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 Health and Social Care.

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.
- 1400 of the overall number of applicants (7,785) on the housing register, currently living in accommodation that does not meet their current health / mobility needs check figures are up to date
- 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. Additional recommendations from a reconvened group in response to the Covid 19 emergency have also been agreed. The Scottish Parliament has brought forward the planned extension of the Unsuitable Accommodation Order, which now applies to all homeless households. Revisions to "local connection" and "intentionality" tests in relation to homelessness are also planned. All of these measures, whilst welcome in terms of extending the rights of homeless households, rely on increased housing supply, particularly in Inverness

One of the key homeless priorities 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 have been increasing Council owned temporary accommodation by 50 units a year, and this process has accelerated this year. This shift is being driven by the housing development programme. Despite this we are still using private sector property and are expecting to have significant cases in breach of the Unsuitable Accommodation order. As a result of Covid 19 we have had an increased demand on temporary accommodations, and have over 850 households in temporary accommodation (at October 2020)

The Council's Rapid Rehousing Transition Plan has been approved to the Scottish Government. 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 is focussed on using the Scottish Government funding through the Ending Homelessness Together Fund to:

- reduce time spent in temporary accommodation, through the appointment of 3 dedicated Rapid Rehousing Officers to work with households who have been in temporary accommodation the longest.
- expand our successful shared temporary accommodation initiative; and
- developing out Housing First project jointly with NHS Highland.

Responding to homelessness is the subject of detailed discussion with the Highland Housing HUB (see below)

Lack of affordable housing supply is undoubtedly a major contributor to the high levels of homelessness experienced in parts of Highland ,and continuing to increase supply is the single biggest factor in 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 (2021-2026) 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 ¹ over 5 years (£m)	Unit Approvals per year	Unit Approvals 5 years
Badenoch & Strathspey	6	9.90	30	150
Caithness*	4	6.60	20	100
Inverness	44	72.60	220	1100
Lochaber	8	13.20	40	200
Nairn	6	9.90	30	150
East Ross	10	16.50	50	250
Mid Ross	10	16.50	50	250

Wester Ross	3	4.90	15	75
Skye & Lochalsh	6	9.90	30	150
Sutherland	3	4.90	15	75
Highland	100	165.00	500	2500

* 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 and the SHIP is based on this. However, the HNDA is currently being refreshed and will be submitted to Members for approval at a later date with the revised version informing future updates of the SHIP.

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;
- the Highland Council; and
- developing housing associations and other housing partners

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.

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; and
- 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 will 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.

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. We will aim to provide a minimum of 10% of affordable houses will be built to a “wheelchair liveable standard” – i.e. meet both basic and desirable criteria as specified in Housing for Varying Needs.

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 will use any surplus revenue from Council tax from second and long term empty homes to fund new Council housing, development loans, bridging finance and provide funding for land and infrastructure. We are currently in discussion with Sheltered regarding jointly funding an Empty Homes Officers bring additional properties back into use.

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 to be established throughout the Highlands; removal of infrastructure constraints and front-funding of projects at risk of delay. It can also contribute, in exceptional circumstance, 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.

6.6 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.

6.7 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 COVID-19

Progress on delivery of the housing programme has been affected by, the necessary, adherence to the guidance issued by the Scottish Government in relation to safe working both pre-construction and whilst on site. Throughout the current pandemic we have continued to work along with the Scottish Government, housing agency partners and the construction industry to develop and monitor best methods of working which ensure maximum productivity whilst mainlining safe working conditions. We will continue to monitor events and their cost implications, adjusting programmes to best suit conditions.

7.2 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 £48.388m 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

2020/21. 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.

We are aware that Brexit may increase timescales due to delays in supplies and may also increase costs. We will monitor the programmes and costs and take steps as required to minimise risk, delays and cost overruns.

7.3 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 Communities Housing Trust (CHT); a rent to buy scheme designed to provide additional affordable housing in rural areas. Under the scheme CHT 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 previously provided in Helmsdale, Drumradrochit, Kinlochbervie, Fort Augustus and Achiltibuie.
- Continuing to work with developers to use the Evergreen Infrastructure Loan Fund to open up sites for affordable housing development.
- Working with CHT 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.

7.4 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.

A draft of a Main Issues Report (MIR), which is the initial consultation document produced in making the new Inner Moray Firth Local Development Plan (IMFLDP) will be circulated to the five Council area committees. Following all the committee meetings, the Council will publish a consolidated Main Issues Report for public consultation. The draft MIR identifies preferred sites, potentially resulting in a net reduction of housing units in comparison with the currently adopted IMFLDP. Any reduction may affect delivery of affordable housing, particularly in locations where it is proving difficult to deliver due to lack of site opportunities.

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.

7.5 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.

7.6 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.

7.7 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.

7.8 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.

7.9 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 2021/22 to 2025/26, 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 or contact: Housing Development Team,
Infrastructure and Environment.

Annex 1 LHS Priorities for Affordable Housing Investment 2018 – 2023

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

Highland Strategic Housing Investment Plan - 2021/2026

	Tenure					% of Total	Pre 2020/21 yet to complete	NOTIONAL YEAR OF APPROVAL						
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF			Total sum	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26
Badenoch & Strathspey														
Aviemore, Aviemore Former School	20			10		30				30				
Aviemore, Reidhaven Estate (Dalfaber)			3			3				3				
Aviemore, Spey House Ph2		10		4		14	14							
Aviemore, regeneration		24		6		30				30				
Carrbridge, Carr Road	5			6		11			11					
Carrbridge, Main Road	5			5		10	10							
Carrbridge, Struan Hotel		8				8				8				
Cromdale	1					1			1					
Cromdale S75	3			3		6			6					
Dalnain Bridge					8	8	8							
Dalnain Bridge, Rose Cottage	4			4		8		8						
Grantown-on-Spey, Beachan Court Phase 2	5			8		13	13							
Grantown-on-Spey, Lawson site		5				5				5				
Grantown-on-Spey, Strathspey Hotel Phase 1	4					4	4							
Grantown-on-Spey, Strathspey Hotel Phase 2	6			6		12			12					
Grantown-on-Spey, Castle Road		10	4	6		20							20	
Kincraig	6			4		10			10					
Kingussie	15		3	5		23	23							
Kingussie, High Street	6					6		6						
Nethy Bridge, Laing		5		0		5					5			
Nethybridge, Lettoch Road		6		0		6						6		
Newtonmore		8		6		14			14					
Sub-total	80	76	10	73	8	247	6.4%	72	14	54	76	5	26	0

Caithness														
Dunbeath, Dunbeath HFO		4				4				4				
Thurso, Pennyland Phase 2		12	6	6		24				24				
Thurso, Ormlie Regeneration	8					8			8					
Wick, Wick Regeneration		10				10				10			10	
Sub-total	8	26	6	6	0	46	1.2%	0	0	22	24	0	10	0

Inverness														
Ardersier		23	2	4		29		29						
Ardersier Phase 2		20				20				20				
Beauly, Fire Station site		10		2		12		12						
Beauly, Fire Station Ph2		4				4		4						
Croy, Highwood		21	4			25		25						
Croy		12				12				12				
Dores, The Glebe	8			8		16			16					
Drumnadrochit, former Scotmid	9			8		17			17					
Fort Augustus, Fort Augustus HFO	6					6		6						
Gorthleck, Gorthleck					4	4			4					
Inverness, Academy Street (Farm Foods)	23			14		37		37						
Inverness, Balloch Farm Ph 1	30			10		40			40					
Inverness, Balloch Farm Ph 2		30		10		40				40				
Inverness, MoL 10		0	17			17		17						
Inverness, MoL11		21				21		21						
Inverness, Castle Street				8		8		8						

	Tenure					% of Total	Pre 2020/21 yet to complete	NOTIONAL YEAR OF APPROVAL						
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF			Total sum	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26
Inverness, Culduthel		15	2	2		19	19							
Inverness East														
Inverness, Easterfield Farm	30			0		30	30							
Inverness, Inshes Small Holdings (north)	25		10	15		50						50		
Inverness, Inverfarigaig					5	5	5							
Inverness East Development Brief, phase 1	20	20	20	20		80								80
Inverness, Land at Druid's Temple		18	2	5		25				25				
Inverness, Land South of Asda (robertsons)		48	8	15		71	71							
Inverness, Lomond Gardens (Kinmylies)	28	0		8		36	36							
Inverness, Lower Slackbuie (Slackbuie G)		22				22			22					
Inverness, Ness Castle (MacRae's)		37		9		46	46							
Inverness, Ness Castle ph4		22		8		30					30			
Inverness, Ness Castle Phase 3		30	3	9		42	42							
Inverness, Ness side ph2 (A3)		22	0	4		26			26					
Inverness, Ness side ph4		26	6	8		40					40			
Inverness, Ness side phB4		32	10	12		54	54							
Inverness, Off the shelf purchases	90					90		15	15	15	15	15	15	15
Inverness, Stratton (East, Barn Church Rd)	30	8	8	10		56	56							
Inverness, Stratton (East, Barn Church Rd) ph2		26	4	2		32				32				
Inverness, Culloden West, Barn Church Rd Ph3		16		10		26		26						
Inverness, Torvean ph1	43					43	43							
Inverness, Union Street	31			22		53	53							
Inverness, Wester Inshes Farm (north)		27				27					27			
Kirkhill (Tullochs)		6	4	2		12			12					
Kirkhill, MacMillan land	4					4			4					
Strathglass, Cannich					2	2	2							
Tornagrain, Tornagrain phase 1			6	6		12	12							
Tornagrain, Tornagrain phase 2			6	7		13			13					
Tornagrain, Tornagrain phase 3		14	5	5		24						24		
Inverness, St Valery		10				10				10				
Tomatin (8 community)	6				8	14		14						
Sub-total	383	540	117	243	19	1302	33.5%	624	59	169	102	164	89	95

Lochaber														
Acharacle, Acharacle					6	6				6				
Arisaig, Station Rd(mix)(plots)					10	10			10					
Ballachulish (for discussion at PaHL)		15				15				15				
Canna					2	2		2						
Caol, Glenkingie Terr		18				18		18						
Duror		4				4					4			
Eigg		0			2	2			2					
Fulton House, Fort William		12				12	12							
Glencoe		12				12				12				
Glenfinnan		5				5					5			
Glenug		3				3					3			
Inchree		4				4				4				
Bunree		6				6			6					
Bunree Phase 2		6	6			12					12			
Invergarry					4	4			4					
Kinlochleven, regeneration	5					5				5				

	Tenure					% of Total	Pre 2020/21 yet to complete	NOTIONAL YEAR OF APPROVAL						
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF			Total sum	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26
Kinlochleven, Car park site		8				8			8					
Lochaber House	9			6		15	15							
Lochaline				0	4	4	4							
Rum			4			4	4							
Spean Bridge, Burn Bank		2				2				2				
Spean Bridge, Hobbs ground		10				10				10				
Spean Bridge, Tigh Aran		20				20	20							
Fort William, Blar Mor	87		10	20		117	117							
Blar Mor Ph2		80	10	20		110						110		
Fort William, Former Achintore Primary School	27			10		37	37							
Fort William, Glasdrum	6					6	6							
Fort William, Lundavra Road		20				20				20				
Fort William, Upper Achintore Ph 1		25	0	25		50			25	25				
FW Rankin Cres			6			6	6							
FW Rankin Cres Ph2		28				28		28						
Mallaig		8				8	8							
Mallaig Ph 2		6				6		6						
Kilchoan		2				2				2				
Roybridge					3	3		3						
Knoydart					5	5		5						
Strontian, Dhal Mor	6					6			6					
Strontian, School Road		5				5		5						
	0					0								
Sub-total	140	299	36	81	36	592	15.2%	234	62	61	81	44	110	0

Nairn														
Nairn, Delnies	12		5	8		25						25		
Nairn, Cawdor Road		14	0	8		22			22					
Nairn, Nairn Town centre	12	0	0	0		12		12						
Nairn, Nairn Town centre	12	0	0			12				12				
Nairn, Forres Road		10	4	6		20			20					
Nairn, Sandown	20	0	15	15		50				25	25			
Sub-total	56	24	24	37	0	141	3.6%	0	12	42	37	50	0	

East 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								
Alness, Dalmore Phase 7		25	10			35				35				
Alness, Darroch Brae	15					15					15			
Alness, Obsdale Road	20					20						20		
Evanton, Teandallon East	18		6	16		40		40						
Evanton, Teandallon East Phase 2	16		4	10		30				30				
Evanton, Culcairn		15	5			20								20
Invergordon, Cromlet Ph1	20			10		30			30					
Invergordon, Cromlet Ph2	25					25					25			
Invergordon, Regeneration	15					15					15			
Kildary , Urquhart Close		6		2		8				8				
Seaboard Villages, Seaboard Villages					4	4			4					

	Tenure					% of Total	Pre 2020/21 yet to complete	NOTIONAL YEAR OF APPROVAL							
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF			Total sum	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26	
Tain, Land to rear of Craighill Primary School	14		6			20									20
Tain, Jackson Drive	32					32	32								
Tain, Seaforth		16		4		20				20					
Sub-total	175	137	48	53	4	417	10.7%	62	65	34	93	77	20	66	

Mid-Ross															
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF	Total sum	% of Total	Pre 2020/21 yet to complete	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26	
Avoch, Memorial Field		34		12		46		46							
Avoch, Rosehaugh	3					3				3					
Conon Bridge, Drouthy Duck	12			10		22				22					
Conon Bridge, Ferintosh Centre	15					15							15		
Conon Bridge, Former Pescanova		18		10		28						28			
Cromarty, Sandilands		12		0		12					12				
Culbokie		14				14			14						
Culbokie School		4				4						4			
Dingwall, Caberfeidh	6					6							6		
Dingwall, Dingwall North, Chestnut Road		30	7			37		37							
Dingwall, Dingwall North, Chestnut Road Ph2		30	7			37					37				
Dingwall, Meiklefield	18					18				18					
Dingwall, Ross House/Picture House	30					30		30							
Dingwall, St Andrews Road	20			14		34			34						
Dingwall, Tulloch Square		16		4		20						20			
Dingwall, Mill Street	8					8				8					
Dingwall, Station Road	14					14				14					
Dingwall, Docharty Road	14		6	10		30					30				
Dingwall, Joe Yates Court	6					6		6							
Fodderty, Former Primary School Playground	2		4			6					6				
Fortrose & Rosemarkie, Greenside Farm		9		4		13		13							
Maryburgh, Donald Cameron Court Ph 2		6	8			14				14					
Maryburgh, Former Maryburgh Primary School	16					16		16							
Muir of Ord, Black Isle Road		20	6	10		36					36				
Muir of Ord, South of the Cairns		15		6		21				21					
Newhall, Former school playground		4	4	0		8						8			
Strathpeffer, Kinellan	21		6	10		37		37							
Tore, Woodneuk	4	0				4					4				
Sub-total	189	212	48	90		539	13.9%	185	48	100	125	60	21	0	

West Ross															
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF	Total sum	% of Total	Pre 2020/21 yet to complete	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26	
Lochcarron, Kirkton 10 RHIF, 4 (plots)	6				10	16		16							
Lochcarron, Kirkton phase 2, 11 total					11	11					7	4			
Lochcarron, Housing for older people		4				4				4					
Poolewe		0	4			4						4			
Applecross, CHT, mixed tenure					8	8			3			5			
Applecross, Hydro Field 10 mixed tenure	4				6	10					6		4		
Applecross					3	3				3					
Gairloch, Achtercairn West	8		8			16				16					
Gairloch, North Fasaich			5			5					5				
Shieldaig, Baile Shuas		2	2			4				4					
Torridon, rear of Darroch Park (inc self build)		4			6	10					4		4	2	
Aultbea					6	6					6				
Inveralligin					1	1				1					

	Tenure					% of Total	Pre 2020/21 yet to complete	NOTIONAL YEAR OF APPROVAL						
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF			Total sum	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26
Achiltibuie (mixed tenure)					10	10						5	5	
Ullapool North	20		15	15		50			20			30		
Sub-total	38	10	34	15		158	4.1%	16	3	44	32	48	13	2

Skye & Lochalsh															
Broadford, Caberfeidh phase 1		12				12									12
Broadford, New site, Campbell's Farm		24				24			24						
Broadford, Campbell's Farm, Phase 4B		12				12						12			
Broadford, Campbell's Farm, Phase 4C		18				18								18	
Dornie, St Duthac Drive phase 4		6				6					6				
Glenelg		4				4				4					
Kyleakin, Kyleakin Phase 2		28				28			28						
Portree, Bayfield Lane		2				2				2					
Portree, Nicolson Site	10	18	5	4		37					25		12		
Portree, Portree (Old DAFS Shed site)		3				3	3								
Portree, Woodpark	12					12						12			
Portree, Home Farm Phase 8		45				45			45						
Portree, Biomass site		8				8				8					
Portree, Biomass site (Trust)		25				25				25					
Portree, Cruachan Place	15					15			15						
Plockton	1					1				1					
Raasay		2				2				2					
Raasay RHIF					4	4				4					
Sleat, Armadale Garden Site		12				12				12					
Sleat, Sleat (Kilbeg) phase 1	6					6			6						
Sleat, Sleat (Kilbeg) phase 2	4	0				4					4				
Sleat RHIF					11	11			11						
Staffin		2				2	2								
Staffin RHIF					4	4	4								
Staffin, old surgery RHIF					3	3						3			
Dunvegan (potential for 28)						12				7		5			
Edinbane RHIF					6	6				6					
Glendale, Borrodale RHIF					6	6				6					
Uig		3				3			3						
Sub-total	48	224	5	4		327	8.4%	9	132	77	35	32	12	30	

Sutherland														
Bettyhill, Forestry site					2	2		2						
Bettyhill, Munro Place					1	1				1				
Bettyhill, telecentre (rent)					1	1				1				
Edderton (LCHO, Plots)					10	10				4	6			
Embo	4					4						4		
Golspie	12					12				12				
Lochinver	6			4		10				5	5			
Stoer					3	3				3				
Helmsdale, near Rockview			3			3					3			
Dornoch, Elizabeth Crescent	12		6	4		22		22						
Dornoch North Phase 2		4	6			10					10			
Dornoch, Stafford Road		10				10						10		
Dornoch, Proncynain			3			3			3					

	Tenure					% of Total	Pre 2020/21 yet to complete	NOTIONAL YEAR OF APPROVAL						
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF			Total sum	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26
Tongue (FIT Homes)		4				4				4				
Scourie	3		7			10				10				
Ardgay					2	2				2				
Lairg, former hotel site (4 community) RHF					8	8				8				
Sub-total	37	18	25	8	27	115	3.0%	24	3	34	40	14	0	0
Grand total	1154	1566	353	610	94	3884		1226	398	637	645	494	301	193

* Average of 2270 / 454 per year of 5 year SHI