

Agenda Item	<b>7</b>
Report No	<b>HP/12/24</b>

# The Highland Council

**Committee:** Housing & Property Committee

**Date:** 01 May 2024

**Report Title:** Housing Strategy Update

**Report By:** Executive Chief Officer, Housing & Property

## 1. Purpose/Executive Summary

- 1.1 This report provides information on how the Housing Service has performed in 2023/24 in meeting the agreed priorities and other associated initiatives in the Local Housing Strategy 2023-2028.
- 1.2 It highlights a number of significant developments in how Highland is increasing housing supply, how Highland provides a range of housing options for households seeking safe and secure accommodation, and how Highland is helping our tenants sustain their tenancies despite the cost-of-living crisis. The report also provides information on initiatives to ensure that Highland is providing positive and secure housing outcomes for our tenants and service users, many of whom constitute the most vulnerable client groups in our communities and for whom a stable home environment is essential to their wellbeing and quality of life.
- 1.3 The report also provides information on positive performance in Highland in 2023/24 and our current engagement with the Scottish Housing Regulator.
- 1.4 A summary of national policy developments is provided at section 11 of the report and how these may impact on Highland's housing in 2024/25.

## 2. Recommendations

2.1 Members are asked to:

- **NOTE** the progress made in 2023/24 in achieving agreed priorities in the Local Housing Strategy 2023-2028;
- **NOTE** the significant achievements in 2023/24 to increase housing supply, to deliver essential housing services and to support Highland's tenants and service users;
- **NOTE** aspects of positive performance and the successful engagement with the Scottish Housing Regulator in 2023/24; and
- **NOTE** the proposed changes to national housing policy and that further updates will be provided to Members and Committee ahead of their implementation.

### 3. Implications

- 3.1 **Resource** - There are no direct implications arising from this report. The Council and partners' ability to deliver essential housing services and the Strategy will depend on resources as well as policy and practice considerations.
- 3.2 **Legal** - There are no direct implications arising from this report. The development and progress of the Local Housing Strategy is in line with housing and homelessness legislation and good practice guidance.
- 3.3 **Community (Equality, Poverty, Rural and Island)** - Implementing the Local Housing Strategy will help us meet our equality duties on disability, gender, and race. These require public authorities to involve, consult and engage with communities as widely as possible. The Strategy recognises and aims to respond to the unique issues and challenges involved in developing housing and housing services in remote and rural areas. An Equalities Impact Assessment and a Rural and Islands Impact Assessment have been carried out.
- 3.4 **Climate Change / Carbon Clever** - The Strategy details the Highland commitment to improve the energy efficiency of housing and to mitigate fuel poverty.
- 3.5 **Risk** - Risk is managed through regular review and reporting to allow corrective action to be taken if necessary. The major risk for the delivery of new affordable housing in future years is the reduced level of Scottish Government investment levels for 2024/25 which could impact on overall numbers in subsequent years.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - There are no implications arising from this report.
- 3.7 **Gaelic** - There are no Gaelic implications arising from this report.

### 4. Background

- 4.1 The Housing (Scotland) Act 2001 places a statutory duty on local authorities to produce a Local Housing Strategy which sets out its priorities and plans for the delivery of housing and related services over a 5-year period, and which should be supported by an assessment of housing provision and related services.
- 4.2 The supply of housing continues to be a priority for both the Council and the Scottish Government. The Local Housing Strategy sets out our approach to delivering high quality housing and housing-related services across all tenures, to meet identified need in its area.
- 4.3 Committee approved the Local Housing Strategy 2023-2028 on 27 April 2023. It was subsequently submitted to the Scottish Government and Scottish Housing Regulator as part of the governance process.

### 5. Local Housing Strategy: Vision, Objectives and Actions

- 5.1 The key objective of the Council's Local Housing Strategy (2023-2028) is that **“everyone in Highland has access to a quality home which is affordable and supports the local economy in a sustainable, connected community where people wish to live, work and study”**.

- 5.2 The monitoring of the Council's Programme in 2023/24 was achieved through the Corporate Plan and its commitment to Accessible and Sustainable Highland Homes. The key priorities of the Corporate Plan are reflected in the above Strategy outcomes:
- Building quality, affordable, accessible homes.
  - Providing warm and energy efficient homes.
  - Supporting the development of quality affordable housing in response to need.
  - Supporting the needs of veterans through the Armed Forces Covenant.
  - Developing housing options that help vulnerable and elderly adults to be cared for close to home and community.
  - Working with partners to develop key worker housing opportunities so that sustainable public services and economic growth are not constrained by a lack of housing supply.
- 5.3 The Strategy is also aligned to the key priorities in the Housing & Property Service Plan, approved by Committee on 10 August 2023. These include:
- Reducing the duration of homelessness and time spent in temporary accommodation through the Rapid Rehousing Transition Plan.
  - Supporting independent living through delivery of equipment and adaptations.
  - Improving the standard of our 4 Gypsy/Traveller sites with residents consulted as part of the improvement process.
  - Working towards net zero carbon targets by investing in physical improvements to the Council's Housing Estate.
  - Increasing the amount of affordable social rented housing to address supply and affordability issues and in turn to reduce unmet housing needs.
- 5.4 A Draft Council Delivery Plan 2024-2027 was submitted to Council on 14 March 2024. It provides the Council's strategic planning approach and sets out how reforms will be structured, planned, resourced, and implemented. A final Council Delivery Plan 2024 - 2027 will be submitted to Council in May 2024. A number of the existing features of the Local Housing Strategy are included in the Delivery Plan.
- 5.5 The Highland Housing Strategy sets out four outcomes, each with a number of associated enabling actions. A detailed Action Plan has been developed for the Strategy. A summary of the themes across the four outcomes are summarised below at sections 6 to 9. It summarises progress in 2023/24 and priority actions identified for 2024/25.
- 6. LHS Outcome 1: Housing supply enables strong economic growth and creates resilient communities and places.**
- 6.1 The main actions achieved in 2023/24 have been:
- Delivery of 418 houses as part of the approved Affordable Housing Programme 2023/24. Of this number, 163 were new build Council houses and 29 were open market purchases which brought these houses into Council ownership.
  - Approval of Highland's Strategic Housing Investment Programme 2024-2029 at Committee on 31 January 2024.
  - Ongoing progress with all stakeholders connected to the Inverness and Cromarty Green Freeport, with a focus on developing a revised Housing Need and Demand Assessment (HNDA) data to identify the potential housing supply requirements of the Freeport. This will provide statistical evidence to reassess the HNDA requirements and lobby for additional housing investment in the Highlands.
  - Ongoing engagement with SSE Networks in regard to housing supply needs connected to proposed hydro schemes in Highland. A particular focus is on how new housing supply could be achieved to meet their short-term workforce needs

but that this supply could be diversified across tenure types once the hydro schemes are operational, leaving a housing legacy for local communities.

- Engagement with the Housing Minister to identify potential new methods of stimulating the house-building sector in Highland, including incentives for private investment and flexibility around planning requirements.
- Increased supply of mid-market and low-cost home ownership options, particularly in rural areas. We continue to work to identify the needs of individual communities and deliver homes of an appropriate tenure. The type of key worker will vary depending on what is required to sustain a successful community. The Council is working with NHS to identify their needs and provide bespoke solutions, for example targeting mid-market rent for “blue light” workers in Skye and Fort William.
- Actions associated with rural housing opportunities in an effort to sustain housing in rural communities. This includes the work of the Council’s Repopulation Officer who has been assisting community groups in Sutherland.
- The contribution of the Empty Homes Officer to bringing empty homes back into use in Highland was recognised in March 2024 with a Special Recognition Award at the Empty Homes Partnership. In 2023/24, 45 empty homes were returned to use as a result of the engagement activity with homeowners, Council services and external agencies.

6.2 The main priority actions for 2024/25 include:

- Reprofitting the affordable new build programme to ensure that targeted housing supply is delivered within the context of a 24% reduction in Scottish Government grant funding for 2024/25. The impact of this reduction is that there is currently no grant funding available to support new projects in 2024/25. The mitigating options include: assessment of the ability of the Council and partners to front fund projects using the Landbank and the Infrastructure Loan Fund; build in development period funding to enable borrowing to be used to front fund projects; and actively delay procurement of projects to move grant spend into future years. An updated Programme will be submitted to August Committee.
- The agreement (and associated external funding) between Highland and the Empty Homes Partnership has been continued to 2024/25. A particular focus in 2024/25 will be targeted engagement with local communities in Lochaber and Sutherland in particular to assist community groups and owners in returning homes to active use and helping sustain vulnerable communities.

## **7. LHS Outcome 2: Health and wellbeing improves by investing in housing solutions which enable everyone in Highland**

7.1 The main actions achieved in 2023/24 have been:

- The Housing Revenue Estimates 2024/25 were approved at Committee on 31 January 2024. That report confirmed that Highland Council rents continue to be significantly lower than the national average for registered social landlords and remain as affordable as possible, while continuing to resource essential housing services for our tenants and housing stock. The positive outcome of the approved Revenue Estimates is that the housing repairs budget in 2024/25 will increase overall by £2.497m to £21.311m. This increase will: facilitate funding for repair costs to homeless properties; provide additional spend to meet enhanced electrical safety standards; enable completion of more lower priority repairs for external elements of our properties; and support the activities of our in-house Building Maintenance Team. A review into our loan charges and future capital and revenue investment requirements is ongoing. This will provide a

framework to make long-term decision-making, with rental increases approved in advance rather than on an annual basis.

- 10% of affordable homes have been built to a wheelchair liveable standard, meeting both the basic and desirable criteria specified in the Housing for Varying Needs Standards.
- Investment of over £1.1m in adaptations to Council houses to enable tenants to live independently in their homes.
- Approval of local lettings initiatives in Lochaber and Lochalsh & Skye by the Highland Housing Register Partnership. These initiatives are evidence-based and are targeted at supporting local communities by prioritising the allocation of particular stock for key workers.
- Provision of advice and assistance services for our tenants through the ongoing partnership with the Citizens Advice Bureau. As of 31 December 2023, CAB reported that they had provided a range of advice services to 1,194 Council tenants.
- Provision of home energy advice and support for our tenants through our Affordable Warmth Partnership with Ali Energy. This has resulted in approximately 850 home energy referrals in 2023/24. Support was provided to our tenants through access to external grants, utility company welfare initiatives and other sources of support to mitigate fuel poverty.
- Engagement with the residents on each of our four Gypsy / Traveller sites with the aim of transforming where they live into 'great places to live and bring up children'. This is a key priority and to deliver it The Highland Council has been awarded £2.150m from the low carbon Vacant and Derelict Land Investment Programme and £4.450m from the Gypsy Traveller Infrastructure Fund to deliver timber framed modular 'park home' style units at Longman Park, Inverness.

7.2 The main priority actions for 2024/25 include:

- Submission of a new Tenant Participation Strategy to August Committee. This Strategy has been developed through partnership work with our tenant volunteers and will identify actions for engagement in the next 5 years. Our current tenant satisfaction level for opportunities to participate in landlord decision-making is 93.8% against a national average of 80.9%;
- Delivery of the Gypsy Traveller Improving Lives Action Plan, focusing on how partnership working can meet the challenges of providing health, educational and other support to this recognised group in a format and setting of their choice.

## **8. LHS Outcome 3: People in Highland have access to a wider range of housing options and choices and the support they need.**

8.1 The main actions achieved in 2023/24 have been:

- Review of existing protocols for client groups at risk of homelessness, including looked after children, households experiencing domestic abuse and those leaving an institutional setting.
- Approval of a revised Housing Allocations Policy at Committee on 27 April 2023. This amended the way the Highland Housing Register prioritises housing allocations based on evidenced housing needs and provides additional weighting for households who require accessible housing, are homeless or threatened with homelessness, are care-experienced young people, have experienced domestic abuse and who have been former members of the armed forces.
- Reduction in the number of households in temporary furnished accommodation to 479 by 31 March 2024. This reflects significant progress given that the figure was 785 for Q1 for 2021/22. The trend nationally in 2023/24 has been an increase

in the use of temporary accommodation, particularly for extended periods of time and often in breach of the Unsuitable Accommodation Order. Highland performance in regard to meeting the challenges of homelessness demand and providing secure housing outcomes is therefore positive.

- Highland continues to be recognised nationally as a welcoming and supportive home for Ukrainian Displaced Persons. Efforts are ongoing to provide secure accommodation both in Highland and elsewhere for Ukrainians still unable to return to their homeland. An initiative with Ministry of Defence in Inverness has also enabled a further intake of Afghan households. The Council's Resettlement Team are continuing to support various humanitarian programmes, including recent partnership work around unaccompanied asylum-seeking children.

8.2 The main priority actions for 2024/25 include:

- Re-tender of the housing support framework with a further increase in our in-house provision and development of support targeted to assist younger tenants who have experienced childhood trauma or are care experienced.
- Review our homelessness procedures and policy in line with the national policy changes summarised at section 11 of this report.

## **9. LHS Outcome 4: Partnership and innovation builds capacity in Highland so that housing condition and energy efficiency improve and all homes to move towards net zero.**

9.1 The main actions achieved in 2023/24 have been:

- Engagement sessions with Highland housing associations focused on sharing innovation and maximising external funding for energy works in social housing.
- Connections to 85 Council houses in the district heating scheme in Wick, to provide Council tenants with low-emission heating at an affordable tariff. Early indications are that this has significantly reduced tenant fuel bills and helped tenants in fuel poverty. Further engagement is continuing with district heating providers and the Scottish Government to identify district heating schemes at a number of locations across Highland.
- The development of a Net Zero Housing Action Plan which has been approved at Climate Change Committee and which reflects the corporate commitment to meet Highland Net Zero ambitions.

9.2 The main priority actions for 2024/25 include:

- Implementation of a new Trades Framework to deliver housing repairs (as part of the Council's Delivery Plan "Reconfiguring our Asset Base"). This will strengthen partnership work with local contractors, stimulate apprenticeships and deliver other community benefits, and will identify the potential for carrying out more work within the Council's Building Maintenance Team.
- Introduction of a Void-Plus Policy (as part of the Council's Delivery Plan "Reconfiguring our Asset Base"). The intention is to create sustainable tenancies in areas where there is difficulty in re-letting void Council housing. The Council will consider providing incentives to prospective tenants by providing additional internal redecoration, increased internal refurbishment and carrying out garden maintenance at re-let. As an area of relative low housing demand, it is proposed that Void-Plus be initially implemented in Caithness from Summer 2024 subject to operational requirements.
- Commence a stock viability assessment to determine the net present value of our houses based on revenue/capital costs, future income projections and

housing demand. This will identify priorities for capital investment, regeneration, and potential disposal.

- Develop a Housing Capital Plan 2027-2037 to target capital investment in our homes to meet the requirements of the new Net Zero Social Housing Standard as well as ongoing maintenance and investment priorities. The Capital Plan will focus on targeted investment in our homes to improve housing condition, making our stock more environmentally sustainable but also supporting tenants in fuel poverty.

## **10. Housing Performance 2023/24 and the Scottish Housing Regulator Engagement Plan**

- 10.1 As part of standard regulatory processes, Highland submitted monthly updates to the Scottish Housing Regulator in 2023-24. The main focus of these returns was to update the Regulator in regard to:
- Upgrade works on our gypsy traveller sites to reflect enhanced fire safety spacing requirements.
  - Progress against electrical inspection testing in our homes following amendments to the Scottish Housing Quality Standard.
- 10.2 The annual Regulator engagement meeting took place in December 2023 and focused on Highland's compliance with homelessness legislation. Feedback from the Regulator was positive in terms of how Highland is providing rapid rehousing options to homeless households with secure tenancies being offered to these households and support provided to ensure they sustain their tenancies.
- 10.3 Highland's performance in 2023/24 is provided in a separate report to this Committee. Highland continues to perform above the national benchmarking average on a number of statutory performance indicators. These include:
- Collection of rent income and management of rent arrears. For 2023/24 the collection of rent as a percentage of rent due was 99.04%. The gross arrears as a percentage of rent due was 7.16% for Highland compared to the 9.59% local authority average. Highland continues to promote a holistic and supportive policy of managing tenant rent accounts, rather than a general debt recovery model. This is reflected in our protocols with NHS and other agencies around case management and our avoidance of eviction unless as a means of last resort;
  - Time taken to complete emergency repairs. The performance for 2023/24 was 4.1 hours which is lower than the national benchmarking average of 4.2 hours. This should be noted in the context of the geographical challenges in Highland;
  - Completion of adaptations to assist tenants with accessibility. For 2023/24 this was 38.1 days for Highland compared to the national benchmarking average of 56.9 days; and
  - Time taken to re-let empty properties. The performance for 2023/24 was 38.6 days which compares to a national benchmarking average of 55.6 days.
- 10.4 Highland also complied with the Regulator requirements in regard to:
- Submission of the performance information in the Annual Return of Charter in May 2023.
  - Submission of a Committee-approved Annual Assurance Statement in October 2023; and
  - Provision of a Customer Report to our tenants in October 2023.

10.5 The Regulator has now published its Engagement Plan for Highland for 2024/25 and this is available at <https://www.housingregulator.gov.scot/landlord-performance/landlords/highland-council/engagement-plan-from-1-april-2024-to-31-march-2025/> . As with other local authority social landlords, their focus for 2024/25 is on how Highland performs in regard to homelessness services and compliance with health and safety.

## **11. Changes to National Policy**

- 11.1 On 28 March 2024, the Scottish Government published a Housing (Scotland) Bill which sets out its vision for Housing to 2040. The main features of the legislation are:
- Introduction of an 'ask and act' duty on social landlords and bodies, such as health boards and Police Scotland, to ask about a person's housing situation and act to avoid them becoming homeless wherever possible.
  - It also reforms provision for people threatened with homelessness up to six months ahead and includes provisions for tenants experiencing domestic abuse.
  - Proposals for a New Deal for Tenants, with a specific intention of improving the rights of private renters particularly where these are currently more limited than those enjoyed by social tenants. Proposals include long-term rent controls for private tenancies, new rights to keep pets and decorate rented homes and stronger protection against eviction.
- 11.2 Many of the proposals continue the Scottish Government's strategic commitment to mitigate homelessness and protect the rights of private tenants in particular as part of a more regulated private rented sector.
- 11.3 Along with a number of other agencies, COSLA has expressed its concern as to the lack of information at this stage in regard to many of the proposals. There are significant resource implications of the proposed homelessness prevention duties, at a time when local authorities are facing unprecedented pressures in terms of housing supply. Highland already has existing homelessness prevention measures in place. It remains unclear as to whether the new duties on other public bodies will build on these measures or will lead to an increase in homelessness case management without the requisite resources and expertise to deliver positive outcomes for service users.
- 11.4 Significant analysis is also required ahead of proposed rent controls, with the potential for private investors to defer investment in Scotland until the issue is clarified. Private landlord agencies have also voiced concern at what they perceive as a continued lack of engagement with the sector, which has had the negative effect of reducing private rental properties at a time when these are in unprecedented demand.
- 11.5 The potential impact in Highland of the national policy changes will become clearer during 2024/25 as guidance is developed by the Scottish Government. It is recommended that a Member workshop is convened in Summer 2024 to focus specifically on issues relating to homelessness and Highland's response to these challenges.



Designation: Executive Chief Officer Housing & Property

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Background Papers: Scottish Government Local Housing Strategy Guidance (updated  
2019  
Highland Local Housing Strategy 2023-2028  
Highland Strategic Housing Investment Programme 2024-2029  
Housing (Scotland) Bill 2024