



Highland's Strategic Housing Investment Plan 2008

The Highland Council

12 December 2008

1 Introduction Ro-ràdh

- 1.1 The shortage of housing and affordable housing in particular has been identified as a major constraint in the social and economic growth in the Highlands. Despite significant successful affordable housing development in recent years, Scottish Government research demonstrated that Highland has very high levels of housing need which, it forecast, will persist into the future (unlike the majority of other Scottish local authorities) due to the current and projected lack of affordable housing. On-going affordable housing investment through both public subsidy and private investment is crucial to Highland's economy and meeting the needs of our communities.
- 1.2 Table 1 shows how much additional affordable housing is projected to be required each year over and above the new affordable housing projected to be supplied.

Table 1: Additional Affordable Housing Required (i.e. additional to that which projected will be built)

Year	2005	2006	2011	2016	2021
Additional affordable housing required in the year	510	950	1030	845	995

Local Housing Need & Affordability Model for Scotland Update (2005 base); Bramley et al. 2006.

- 1.3 This Strategic Housing Investment Plan (SHIP) demonstrates how investment in affordable housing will be delivered on the ground, over the next 5 years, so that the outcomes and targets set out in Highland's Local Housing Strategy 2003-2009 (www.highland.gov.uk), are achieved. It should be read in conjunction with Highland's Local Housing Strategy and its 2007 update. This covering document presents a rationale and explanation for the annex information, included in the site specific templates, which shows the target projects and identifies subsidy requirements.
- 1.4 The SHIP is a programming snap-shot which has been designed to enable us to flexibly respond to opportunities and challenges in a planned way.

2 Update on LHS Outcomes and Targets Fiosrachadh air Builean is Targaidean

- 2.1 There are a number of housing related targets in Highland's Single Outcome Agreement which this SHIP will contribute to. The key one is Local Outcome 10.2 - Increase the supply of housing. It has associated targets to deliver 6,000 houses and 2,000 approvals of new affordable houses by 2010/11.
- 2.2 The Council has rolled forward Highland's current Local Housing Strategy (LHS) to 2009/10. The outcomes and targets for 2008/09 are set out in Highland's Housing Strategy 2007 update (www.highland.gov.uk). In addition to these the Council, in 2008, agreed 2 new targets which impact on the SHIP:
1. To extend the target group, for the 600 affordable houses to be built for older people, to people with disabilities.
 2. To work with the Scottish Government to explore new funding models for building and securing additional Council Houses.
- 2.3 The impact of these on this SHIP are as follows:
1. Impacts on planning (i.e. identifying specific needs), house design and allocation processes. May also impact on project costs if lead to increases in highly specialised designed housing / wheelchair housing.
 2. As funding models are not yet established, there is no specific impact as yet although covered within section on priorities for investment.
- 2.4 A new Local Housing Strategy (LHS) is being produced during 2009 which will set the strategic direction for the next 5 years including new affordable housing supply targets for Highland's housing market areas.

- 2.5 This SHIP is informed by the following LHS actions and objectives:
- Provide affordable housing opportunities to meet the diverse range of housing needs***
- Direct investment to increase the provision of affordable housing in communities with housing stress.
 - Implement Affordable Housing Policy.
 - Meet the needs of incoming workers by all options.
 - Increase tenure choice in areas of low owner-occupation.
- Improving the delivery of affordable housing***
- Land bank for future affordable development.
 - Tackle infrastructure and development difficulties.
 - Use planning system more effectively.
 - Lead local housing development forums.
- Ensuring resources are used effectively and increasing investment***
- Improve procurement of housing.
 - Raise awareness of rural housing issues and encourage support through policy and investment.

3 Prioritising the programme Prìomhachas a' Phrògram

3.1 Current Targets

The Council has a number of agreed targets in the LHS which provide the basis for overall prioritisation:

- Providing Council's target of 2000 homes to 2010/11 i.e. 500 approved per annum.
- 600 of these to be for older people or people with disabilities.
- Generally, across Highland, a ratio of two-thirds rent: one-third low cost homeownership.

- 3.2 A process is in place to agree with Registered Social Landlords and developers, the tenure mix and house size, based on housing need, as soon as potential sites are identified.

Table 2 – Highland's LHS Sub-areas

Sub-area	Indicator within SHIP Annexes
Badenoch and Strathspey	A
Caithness	B
Inverness	C
Lochaber	D
Nairn	E
Easter Ross	F
Mid Ross	G
Wester Ross	H
Skye and Lochalsh	I
Sutherland	J
Pan-Highland	K

- 3.3 For LHS planning and investment purposes, Highland is split into 10 sub-areas (Table 2). The SHIP annexes set out proposed projects and associated information for each of these sub-areas. The current Local Housing Strategy (LHS) has set indicative development targets at sub-area level, based on an agreed strategic investment framework. These have influenced the projects proposed for 2009/10. Beyond 2009/10, targets within each of Highland's sub-areas are broadly based on rolling forward the current LHS strategic investment framework sub-area targets to achieve a target number of 500 approvals each year across

Highland. Annex Table 1b illustrates the current LHS targets for each sub-area. The proposed SHIP programme to 2013/14 (as illustrated in Annex Table 5.1) varies from this for a number of reasons:

- the availability and deliver-ability of land in each sub-area (e.g. in Lochaber and Inverness);
- the associated potential to meet housing need in neighbouring sub-areas (e.g. Mid Ross);
- the extent to which the current sub-area targets have already been met or not met over the life of the current LHS (e.g. Caithness);
- the impact of including low-subsidy mechanisms in the programme which are not covered in the targets (e.g. low cost plots in East Ross and Sutherland) and;
- over-programming to manage slippage or anticipated programming delays.

- 3.4 The prioritisation of sub-areas below also aims to achieve the sub-area targets.
- 3.5 The projects / sites set out in the SHIP annexes are based on current assumptions about the level of resources we think may be made available each year (see section 6). At the time of writing, resource planning assumptions were not available from the Scottish Government.

Impact of Highland's 2009 Local Housing Strategy

- 3.6 Highland's strategic investment framework, and the corresponding targets and indicative development programme at sub-area level, will be revised in 2009 as part of the development of Highland's new Local Housing Strategy. The strategic investment framework will be based on the housing and housing related needs identified through that process, the agreed strategic approach and anticipated resource planning assumptions.

Priorities for Affordable Housing Investment & Activity 2009/10 onwards

- 3.7 Over the life of the SHIP, the priority sub-areas for identifying **additional** deliverable land and procuring land / 'opportunity' sites are Inverness; Mid Ross, Nairn and Lochaber. If additional land is identified this is likely to impact on the later years of the SHIP programme and the balance of projects between areas.
- 3.8 Communities which are considered to be priorities for affordable housing investment and housing activity in the coming years are discussed at each of the Local Development Forums (LDFs). Table 3 sets these current priorities out within their sub-areas.
- 3.9 Highland's Local Housing Strategy sets out the Council's commitment to supporting sustainability and economic development in fragile rural communities. Therefore rural communities with significant evidence of a need for housing, based on housing and other social or economic indicators, may also be considered to be priorities for affordable housing investment and activity. Community needs and related projects will be agreed at Local Housing Development Forums and Joint Investment Group.
- 3.10 Out with projects funded from the affordable housing investment programme (AHIP), there are communities which will benefit from affordable plots for self build development. Such plots could be provided within developments where the Affordable Housing Policy requires a developer to provide affordable housing or where land is being developed in partnership with the Highland Housing Alliance or Highlands Small Communities Housing Trust. Opportunities will be identified through Local Housing Development Forums.
- 3.11 As we have done very successfully over many years, we aim to take advantage of any investment 'slippage' opportunities arising from elsewhere. Over-programming is a feature of our project planning due to experience of development constraints and the current unpredictability amongst developers. There is flexibility within the programme, and SHIP processes, to bring forward sites if additional resources become available or where other developments are delayed. This includes taking advantage of unforeseen development opportunities in communities identified as priorities.

3.12 Contingency prioritisation is based on ability to meet housing need in stressed communities and deliverability:

- a) If sites / projects stop and 'fall out' of the programme, the basis for prioritising alternatives is that projects which most closely match the lost project – based on geography; scale and tenure – will be substituted.
- b) If resources decrease, sites / projects which are less likely to proceed (e.g. with a development status of amber) will be considered to be a lower 'priority'. In addition, deliverable projects in the priority communities in the sub-areas, as set out below, will be considered higher priorities for funding. The agreed programme will be informed by discussions with the Scottish Government via the Joint Investment Group (see 8.2).
- c) If resources increase, priorities for bringing forward projects in the short-term (e.g. 2009/10 – 2010/11) are based on meeting the current Local Housing Strategy strategic investment framework targets across the sub-areas. Therefore deliverable projects in the communities identified as priorities below, in the Inverness, Mid Ross, Nairn, Lochaber, Wester Ross and Badenoch & Strathspey sub-areas will be considered as higher priorities for bringing forward. Due to the overall level of need, deliverable projects Inverness city will be considered first for bringing forward.

Table 3 – Priorities for Affordable Housing Investment & Activity 2009/10 onwards

Inverness, Nairn and Badenoch & Strathspey
<p>Inverness: Due to the housing pressure, affordable housing will be sought, as a high priority, wherever the opportunity arises.</p> <p>Inverness City is the highest priority. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy in the short term. Cannich is not a priority.</p>
<p>Nairn: Due to the housing pressure, affordable housing will be sought, as a high priority, wherever the opportunity arises.</p> <p>Nairn town is the highest priority. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy in the short term.</p>
<p>Badenoch & Strathspey: Due to the housing pressure, affordable housing will be sought, as a high priority, wherever the opportunity arises.</p> <p>Aviemore is the highest priority. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy in the short term. Dalwhinnie is not a priority.</p>
Ross, Skye and Lochaber
<p>Mid Ross: Due to the housing pressure, affordable housing will be sought, as a high priority, wherever the opportunity arises across Mid Ross and Black Isle.</p> <p>Dingwall is the highest priority. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy in the short term.</p>

<p>Wester Ross:</p> <p>Ullapool, Applecross, Gairloch and Achiltibue are the highest priorities.</p> <p>Affordable housing opportunities within the other communities may be considered for the longer term based on evidence of a need for affordable housing. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy.</p>
<p>Skye & Lochalsh:</p> <p>The highest priorities are Portree; Broadford; Kyle of Lochalsh; Kyleakin; Plockton to Dornie corridor; communities on the Sleat peninsula.</p> <p>Although a lower priority for subsidy, affordable housing opportunities within the other communities will be considered based on evidence of a need for affordable housing. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy in the short term.</p>
<p>Lochaber:</p> <p>Due to the housing pressure, affordable housing will be sought, as a high priority, wherever the opportunity arises. Kinlochleven, as a priority for regeneration activities (such as remodelling the existing housing stock) is the exception to this.</p> <p>Fort William (including its neighbouring communities) is the highest priority. Smaller communities where affordable housing investment has recently taken place, are lower priorities for subsidy in the short term.</p>
<p>Caithness, Sutherland and East Ross</p>
<p>East Ross:</p> <p>Priorities are Evanton; Invergordon, Tain and Alness - with Ardross as a longer term priority. Although a lower priority for subsidy, affordable housing opportunities within the rural communities will be considered based on evidence of a need for affordable housing particularly where they can assist in meeting Evanton; Invergordon, Tain and Alness' housing needs.</p> <p>Milton and Balintore are priorities for housing activity to support regeneration.</p>
<p>Sutherland:</p> <p>Priorities are: Dornoch, Golspie and their surrounding communities; and Lochinver. Although a lower priority for subsidy, affordable housing opportunities within the rural communities will be considered based on evidence of a need for affordable housing.</p> <p>Priorities in the longer term are releasing of land for self-build, as part of market development activities, in East Sutherland including Helmsdale and Bonar Bridge.</p>
<p>Caithness:</p> <p>Thurso is the priority with Wick is a priority for regeneration activity (such as remodelling the existing housing stock). Dunbeath is an area where a small amount of development will assist in meeting needs identified through the Initiative at the Edge Initiative.</p>

Potential New Priorities

- 3.13 We would propose to source and use any 'new' subsidy and associated funding (such as funding to provide new Council housing) to increase affordable housing supply in the communities identified as priorities due to

their lack of affordable housing and in line with our strategic investment framework. This may focus on purchasing new affordable housing 'off the shelf'.

- 3.14 Linked housing, health and care projects to meet the needs of specific community care clients, are currently being explored. This may result in other communities being identified as priorities within the Highland's 2009 Housing Strategy (LHS) and future SHIP updates.

4 Overcoming Constraints & Enabling Delivery Saorsa o Chuingealachadh & Libhrigeadh

- 4.1 There are a large number of constraints and challenges impacting on deliverability in Highland including those due to inherent site conditions, high infrastructure costs, limited or no service infrastructure capacity, lack of economies of scale and a diminishing supply of economically deliverable and Council owned land. The Council is supporting the efficient delivery of the LHS targets and associated programme by helping to overcome and mitigate these challenges as this section demonstrates by describing the steps being taken at a strategic level. It also describes the Council's contribution in terms of maximisation of resources.
- 4.2 It is also working with its partners to make sure that the development sites included within this SHIP are deliverable within the 5 year time frame. Annex Tables 3 include on, a site by site basis, brief details of constraints and the action being taken to remove or reduce constraints.
- 4.3 The Council takes a positive partnership approach in unlocking development constraints with public, private housing developer, and infrastructure, partners by developing solutions through meetings such as the Local Development Forums which have a site specific focus – delivering for example, local partnership solutions such as the Upper Achintore joint venture in Fort William which, by unlocking land, is enabling the development of 300 new houses.
- 4.4 The situation with Scottish Water has improved considerably during the last 2 years. Planning and housing colleagues continue to meet quarterly with Scottish Water to agree and discuss investment priorities and overcome constraints. There continue to be locations in which development is unable to go ahead and issues over timing of investment.
- 4.5 The Council set up, with joint Scottish Government funding, a recyclable landbank fund which is used to grant loans to housing agencies enabling them to landbank strategic sites and to fund the removal of infrastructure constraints. This has been an extremely useful tool in securing sites which may have otherwise been lost. In August 2008, the fund stood at over £15m - having made loans of nearly £13m since it was established, and has had £7m repaid.
- 4.6 This fund also helps to bridge finance activity across financial years where streaming of the AHIP might otherwise cause disruption or delays. In 2008/09, it is estimated that £5m will be used to front fund affordable housing projects so that supply does not slow down whilst housing need is increasing. The fund also part funds high cost rural projects which would otherwise not proceed.
- 4.7 This Council funding of early site feasibility studies proactively identifies constraints so that solutions can be developed more quickly than otherwise. It also reduces the number of false leads being followed by affordable housing providers.
- 4.8 The Highland Housing Alliance (HHA) was set up in 2005, by the Highland Council and its partner housing agencies, to assist in the delivery of housing. Since then it has acquired a dozen sites across Highland capable of delivering around 900 houses around a third of which will be affordable. By developing a landbank, and therefore having control of land, HHA is able to help public agencies develop housing at the

pace at which it is needed. By providing both public and private housing, cross-subsidies are achieved reducing the cost to the public purse as well as providing mixed communities. They are also achieving cross-subsidies by including economically unviable sites with those that are viable / profitable within a single contract. In addition, by fixing superstructure costs, developers' uncertainty is much reduced. HHA also works with small and / or rural land-owners, facilitating partnership solutions and front-funding costs to unlock sites.

- 4.9 Recent Scottish Government research has praised the success of HHA and the Land bank fund – critical success factors underpinning the fund were considered to be the :
- priority given to housing by the Council which has been backed up by their contributing resources and actions;
 - existence of a strong network of housing agencies and mechanisms such as the LDFs;
 - quality of the Council's personnel.
- 4.10 At a political level, the Council is continuing to promote Highland's challenges and offer solutions to the Government, to ensure that funding is made available to overcome constraints, particularly in the rural communities.
- 4.11 It is unclear how the changing market conditions associated with the 'credit crunch' will affect the SHIP. At present, we are working with private developers who are keen to bring forward the phasing of housing which they are contributing through the 'Affordable Housing Policy'. On-going meetings (jointly with the Scottish Government Regional Office) and an 'open door' approach to private developers means that we hope to respond quickly and be proactive in identifying opportunities. Through our joint working with Planning and Development Services we hope to be able to monitor and manage reductions in developers' contributions. The Council held a seminar for public and private developers which has started the process of developing solutions to respond to the changing market.
- 4.12 We are working closely with RSLs to ensure that any fall in demand for shared equity housing can be identified and managed quickly and effectively e.g. through changing the tenure mix.
- 4.13 Due to the current economic climate, it is anticipated that the future programme may change more than in recent years and require as much programming flexibility as possible to manage any delays or setbacks.
- 4.14 Increasingly developers are experiencing constraints due to environmental issues, particularly in the Cairngorm National Park Area. We aim to be more alert to possible environmental concerns in commissioning of feasibility studies / masterplans. We would also expect that Scottish National Heritage; SEPA and others agencies to give clear early direction.

Key constrained sites in Highland

- 4.15 The table below includes, as examples, key constrained sites and a summary of the action being taken

Table 4 Key constrained sites in Highland

Location	Steps being taken	Timescales	Lead Responsibility & Partners Involved
A96 corridor	Bring together development interests		Planning and developers
Wick (LPT)	Use of Vacant & Derelict Land Funding	Start on site 2009/10	THC along with HIE, Housing Association, HHA & developers.
Invergordon (High Street)	Use of Vacant & Derelict Land Funding	Start on site 2009/10	THC along with Housing Association & developer.

Alness (Coulhill)	Identify access to development site	Secure site by 2010	Highland Housing Alliance (HHA)
Dingwall & Maryburgh	Bring together landowners of multi-ownership sites	Secure developable site by 2010	HHA along with 4 landowners.

External Challenges

- 4.16 The current economic climate is affecting Highland's forward programme with developers increasingly mothballing sites due to the depressed housing and land market. The number of starts on site for open market housing has slowed dramatically. Developers appear to be concentrating their efforts on building out existing sites where there has been significant infrastructure investment and construction has already started. It is expected that this will lead to a decline in affordable housing through the planning quota policy. Public subsidy however, is enabling the continued development of affordable housing where this is programmed or not tied in with planning agreements.
- 4.17 Moreover changes to HAG are impacting on Registered Social Landlords ability to deliver both in terms of their overall projected programmes and on specific sites.
- 4.18 Whilst these issues are likely to impact on the programme planning set out in the SHIP, site prioritisation and ability to be flexible will help to manage them.

Ensuring there is an adequate supply of economically deliverable land

- 4.19 The Council carries out an audit of housing land supply each year in consultation with housing agencies, land owners and developers which aims to make sure that sufficient effective land is available and likely to be brought forward. For each site, probable programming of development and constraints are identified. This now includes reviewing effective / zoned sites, which are not being developed, and if required identifying alternatives for inclusion in Local Plan revisions. This work informs and is informed by the processes in place around the SHIP. Informing for example, the identification of constrained land leading to release of new land for affordable housing via the West Highlands and Islands Local Plan.
- 4.20 The 2008 audit calculates that there is an effective land supply of 17,575 housing units between 2008 and 2012. It is believed that this figure may be optimistically high however due to the current economic climate. Generally this estimation meets Highland's Structure Plan requirement figures. The Council is currently working to update these figures and new land supply targets will be agreed in 2009. This will also result in the setting of new affordable housing targets in each housing market area which will inform future SHIPs.
- 4.21 The Audit indicates that, towards the end of 2012, there will be increasing housing pressure in the Inverness area due to large constrained sites which require substantial associated infrastructure investment. These issues are being addressed through the on-going work on the A96 Corridor Framework and Highland Wide Local Development Plan.
- 4.22 Moreover whilst land may be effective, it is Highland's experience that many are not economically viable for affordable housing development, particularly in areas of housing pressure – in LHS terms therefore there is a lack of economically effective land in many areas. This highlights the need for the range of activities to ensure adequate land supply and subsidy which supports high cost affordable development where there are few alternatives. This SHIP includes a number of rural high cost housing projects. The Highland Council will work towards identifying economically effective land as part of the land audit.
- 4.23 Whilst windfall sites comprise an important element of Highland's housing land supply mainly because of the reliance on rural self-build, the majority are small single or 2 house sites. Their contribution to affordable

housing programme is therefore limited and generally relates to RHOGs. Due to the nature of 'windfall' it is difficult to identify these sites in advance.

- 4.24 Brownfield sites can be an important of land in areas where supply is limited but use of these sites can increase project costs above benchmark because of site remedial work. The Highland Council will continue to make efforts to attract additional funding to meet cost associated with decontamination or clearance of brownfield sites.
- 4.25 Land audit information, including detailed site schedules, is available on The Council's website: <http://www.highland.gov.uk/yourcouncil/highlandfactsandfigures/housinglandaudit>
- 4.26 There is a continuing dialogue between THC Housing & Property Services and Planning and Development Services regarding updates to Local Plans with all possible sites for inclusion discussed at the Local Development Forums. The Highland Council is moving towards a more flexible approach to site allocation in smaller areas – with fewer site by site allocations – which it is hoped will increase the flow of sites in these communities.
- 4.27 THC Housing & Property Services and Planning and Development Services continue to work together to identify sites through Local Planning processes, particularly via the Local Development Forums and development of master plans regarding major sites / new settlement proposals such as A96 corridor and Cambusmore. The recently introduced, major planning application process ensures that affordable housing development officers are brought in at an early stage to inform proposals and secure supply. This was recently demonstrated at the Nairn Sandown development.
- 4.28 As noted above, the priority sub-areas for identifying additional deliverable land and procuring land / 'opportunity' sites are Inverness; Mid Ross, Nairn and Lochaber.

5 The Highland Council's Contribution and Enabling Role Comhairle na Gàidhealtachd is Comasachadh

- 5.1 The Highland Council has taken a lead role in the delivery of affordable housing and is recognised nationally as one of the most pro-active local authorities in the country. 80% of the RSL's programmes over the past two years has been delivered through the direct involvement of the Highland Council. It has proactively used its enabling role through the affordable housing planning policy or by disposing of land directly to Registered Social Landlords and through the Council's landbanking policy, funding housing agencies to purchase sites. Its role in leading the Local Development Forums ensures sites in the communities, agreed as priorities, are proactively identified and taken forward.
- 5.2 The Council is committed to identifying all surplus Council assets and prioritising them for affordable housing in areas of housing stress. This has resulted in the use of 78 Council owned sites (amounting to around 1400 notional units) over the last 3.5 years. A review of all the land held on the Housing Revenue Account (HRA) has identified sites that are capable of delivering housing in priority settlements. Following agreement at the Local Development Forums they are factored into Registered Social Landlords' programmes.
- 5.3 These 'contributed' sites which form the core of the Council's affordable housing Landbank Fund are, and as part of this SHIP, will continue to be sold to affordable housing developers at an "affordable" value as determined making reference to Benchmark costs which have been agreed with Scot Government. The ring-fenced income from these HRA land sales is recycled¹ back into the Landbank Fund to contribute to future

¹ for more information please see Review of the Highland Housing Alliance and the Highland Revolving Landbank Fund, Scottish Government, February 2009, www.scotland.gov.uk/Publications/2008/11/26094641/0

affordable housing projects in Highland. These sites are indicated in the Annex as within Council ownership and 'contribute' 10% of the assumed housing units in this SHIP.

- 5.3 The Council has a successful Affordable Housing Policy that has delivered 665 units between 2005 & 2007) - the highest level in the country. The Policy Guideline has been revised following consultation with H&P Services and other housing stakeholders. It is available from the Council www.highland.gov.uk
- 5.4 The Council's policy is to use Council Tax revenue from 2nd and holiday homes to part fund high cost rural projects in areas of housing need and in accordance with Highland's Local Housing Strategy (LHS).
- 5.5 To date Council Tax revenue from 2nd and holiday homes has assisted in delivery of 111 new affordable units. Over the previous 2 years it has been used to fund a variety of affordable housing projects including land purchases, infrastructure works and part funding high cost housing projects in rural areas as well as feasibility studies. Over 40 projects or feasibilities have been funded to date. This funding contribution has amounted to:
- | | |
|-----------|-------|
| 2007/2008 | £2.4m |
| 2006/2007 | £2.4m |
| 2005/2006 | £2.3m |
- 5.6 It has been the Highland Council's and the Scottish Government's Housing and Regeneration Division's regional office ability to deliver, working in partnership with our housing association and other housing agencies, that has resulted in the high levels of housing investment, compared with other local authority areas.
- 5.7 A small number of other public agencies including The Forestry Commission, The National Trust, NHS Highland and Northern Constabulary also effectively contribute to the development of affordable housing in Highland by selling their land within a framework which give The Highland Council and their housing partners an opportunity to purchase prior to open marketing. Their 'contribution' comprises 2% of the assumed housing units in this SHIP.

6 Programme Funding & Funding Assumptions Maoineachadh & Dòchas Maoineachaidh

- 6.1 This section summarises the resource requirements identified and set out in the annexes.
- 6.2 It is anticipated that direct public sector funding will be available from 2 main sources – Scottish Government grant funding (AHIP) and The Highland Council 'council tax' contribution. The Scottish Government's Vacant and Derelict Land Fund is to contribute £1.6 million to housing projects in Invergordon and Wick to overcome development constraints. Scottish Water also effectively contribute to housing development through provision of infrastructure – whilst this is assumed for appropriate projects as part of funding calculations, it is not possible to indicate this within the annexes.
- 6.3 The funding programme set out in Annex Tables 4 are based on assumptions agreed with the Scottish Government in 2008. It is expected that these will change year on year. Assumptions are:
- Average Highland 'benchmark' build cost of 4 person house - £142,000. Because of historical higher costs faced when building in remote rural areas, benchmarks currently vary across the sub-areas.
 - 33% private finance assumed for HAG rented properties.
 - 77% or 63% private finance assumed for LIFT (again variations across sub-areas).

- 6.4 Based on funding allocations, for 2007/08 the overall level of funding assumed for each year of this SHIP is £40 million.
- 6.4 We will continue to lobby for this to be increased due to Highland's substantial shortage of affordable housing and the need to help the Scottish Government meet its national objectives - including the 2012 target to provide settled housing for all unintentionally homeless households.
- 6.4 We are continuing to take forward ways to achieve more from Highland's AHIP. The Council is continuing to explore, with our partners, new and more efficient ways of procurement such as: via Highland Housing Alliance's timber system factory route procurement project; enabling separate infrastructure project and more efficient materials for use as development solutions.
- 6.5 The project grant funding mechanisms set out in this SHIP include HAG for rent; New Build Shared Equity; Rural Homeownership Grants (RHOGs) and Rent off the Shelf (ROTS). Projected funding requirements for the RHOGs are based on historical spend as they are generally demand and opportunity led.
- 6.6 A small number of self-build development plots, which will be sold at a discount to targeted households, are included in the proposed programme (indicated as 18 LCHO LA units over 2009-2012). Whilst these do not have specific build funding associated with them at this stage, RHOG funding may become associated with them.
- 6.7 Highland's SHIP focuses on increasing housing supply and as such does not include significant resources requirements for replacement, rehabilitation and remodelling housing stock other than via Rural Homeownership Grants (RHOGs), Rural Empty Property Grants (REPGs) etc. As additional funding has been allocated nationally to pilot Open Market Shared Equity (OMSE) and Rural Homes for Rent, associated resources are not included in Highland's SHIP although the mechanism is available to households and landowners in Highland. Funding requirements, as part of the SHIP, can only be determined once the Scottish Government's pilot projects are complete. These grant mechanisms will be assessed as part of developing the new LHS.

7 Housing needs of specific groups Feumalachdan bhuidhnean sònraichte

- 7.1 The Council has agreed a target of 600 houses to be suitable for older people or people with disabilities. The priority communities for these houses have been identified and agreed at the Local Development Forums and LDFs have agreed the following definition to identify appropriate sites (see below). These houses will be supplied as part of the mainstream programme and therefore no specific funding requirements have been identified.

Site considerations

Access to public transport
 Access to / distance to shops, health and community services
 Physical characteristics of the site
 Aiming for 25% of the overall affordable housing quota to be designated as suitable for older people / disabled people.

- 7.2 The opportunity to build 'specialist' housing tends to occur in larger developments. Specialist housing includes housing specially designed to meet disabled needs including housing for wheel-chair users. It also includes housing built to varying needs standards which is targeted at older or disabled households. When there are more than 10 properties in the development the following minimum thresholds for specialist

housing will apply. This will aim to increase the supply of suitable stock to meet future as well as current needs.

5% - Badenoch & Strathspey, Caithness, Sutherland

10% - Inverness, Lochaber, Nairn, Easter Ross, Wester Ross, Mid Ross, Skye & Lochalsh

RSL Equipment and Adaptation Funding

- 7.3 An increase in funding for Registered Social Landlords adaptations to existing properties is required due to increasing need and demand for adaptations as:

More people (older people, disabled people, children with autistic needs etc.) are remaining at home for longer or being discharged from hospital earlier in line with national and local policy and aspirations.

Demand is changing requiring a wider range of adaptations – e.g. fencing for children with behavioural issues.

- 7.4 RSLs in Highland currently draw down in the order of £300,000 Housing Association Grant to fund adaptations. As all Highland's RSLs are reporting waiting lists of unmet identified demand and anticipating that this will continue, resources of at least £400,000 are requested in 2009/10. This has been included in the tables as a sum assigned against sub-area 'K'. It is not possible, based on the information from RSLs to assign this to Highland's sub-areas.
- 7.5 The LHS in 2009 may set targets for future capital investment requirements to meet the needs of specific household groups. There will be reflected in future Strategic Housing Investment Plans (SHIPs).

8 Keys Players involved in developing the SHIP and how this will continue Prìomh Dhaoine agus mar a leanas seo

- 8.1 The preparation of Highland's development programme is a corporate activity. In addition to the on-going collaboration with PDS, there is joint working with colleagues in Social Work Services (SWS) and NHS Highland to identify housing opportunities linked to their service locations (e.g. for older people) or assets.

- 8.2 The Council also works with its housing and infrastructure related partners to drive forward affordable housing investment including preparation of this SHIP and taking it forward. The main joint working processes are:

The 7 Local Development Forums involving, at their core, The Highland Council officers involved in housing, planning and infrastructure, RSLs, Scottish Government, infrastructure providers, Highlands and Islands Enterprise (HIE).

Individual meetings with Registered Social Landlords and developers in relation to project and future programme planning.

Joint Investment Group: The Highland Council and Scottish Government meet to monitor the programme and agree priorities for investment.

Housing Strategy Development Group, involving key partners such as RSLs / Trusts, Homes for Scotland, PDS and Scottish Government, discusses strategic housing issues with the aim of reviewing and supporting the on-going development of the LHS.

Review of Registered Social Landlords Strategy and Development Funding Plans (SDFPs).

The Consultative Draft of this SHIP was circulated to RSL, HSCHT, HHA and Scottish Government partners. Final consultation was limited to these development agencies due to commercial confidentiality.

- 8.3 Joint working at a local level with The Council's Social Work Services (SWS) has resulted in joint projects such as providing affordable housing to support the re-provisioning of residents from New Craigs Hospital, Inverness and provision of housing for older people related to the new day care / respite care home development in Dornie. Their attendance at Local Development Forums also enables projects for specific

families with particular needs to be included in the development programme. In the Inverness, Badenoch & Strathspey and Nairn area this is via a focused joint housing and SWS group.

8.4 Working with private developers happens at several levels:

Homes for Scotland are represented at the Housing Strategy Development Group.

Individual meetings are held with developers to discuss their housing proposals for each financial year whilst quarterly meetings are held with Highland's major developer.

HHA regularly works in partnership with the private sector to overcome development obstacles (e.g. purchasing and servicing strategic sites) and procure houses more effectively. This includes establishing a framework agreement (an Official Journal of the European Community (OJEU) notice) involving 17 development organisations, over a period of years, and a wide range of projects which achieves efficiency savings and enables HHA to identify the most appropriate developer for specific sites. Their Highland Housing Fair aims to raise design standards and encourage innovation.

Cairngorm National Park

- 8.4 The Cairngorm National Park Authority's (CNPA) Cairngorms National Park Local Plan will, once agreed, replace the Council's Local Plan for the majority of the Badenoch & Strathspey area. Housing supply in that area will therefore be dependent on CNPA's policies and activities. Joint working takes place mainly through the Local Development Forum and CNPA Housing Delivery Group. This aims to ensure that there is agreement around land supply targets and adequate delivery of land supply and priorities for investment as well as ensuring that proposed affordable housing projects have the support of the CNPA; and that the CNPA's affordable housing policy can be delivered effectively.

9 Sustainability Seasmhachd

- 9.1 A Strategic Environmental Assessment (SEA) screening has been carried out for this SHIP in line with Government requirements whilst SEAs have been carried out both at a strategic level on the targets and locally (site specifically) as part of the Local Plan process. The projects within this SHIP will incorporate measures supportive of sustainable design and construction and energy efficient features in accordance with Scottish Government standards. Registered Social Landlords in Highland, and the Council, have an on-going commitment to improving energy efficiency and 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. Continuing this activity requires recognition of the need for subsidy to meet the costs incurred through incorporating sustainable measures.
- 9.2 Examples of projects in the future programme include: development of a large site in Alness which will be developed in a sustainable manner; development of sustainable housing in a woodland location close to Rosemarkie; roll out of programme of highly insulated "New Energy Homes" developed by the Highland Housing Alliance; development of the Housing Fair planned for 2010; and 4 timber houses in Kincaig which have been developed by the Highlands Small Communities Housing Trust to have minimal effect on the environment.

10 Guaranteeing Equality Barantas Co-ionannachd

- 10.1 Highland's LHS states a clear commitment to promoting and achieving equal opportunities. This is in reference to the 6 equalities strands of age, disability, ethnicity, faith, gender and sexuality. When put into practice, this commitment in relation to affordable housing provision, results in:
- a target to develop 600 houses suitable for older people and people with disabilities and associated site quotas;

all subsidised affordable housing, where appropriate, developed to Housing for Varying Needs Standards;

new opportunities for low cost home ownership for people with disabilities enabled through the LIFT scheme;

identifying solutions which meet the needs of in-coming workers / in-migrants;

mixed communities by seeking on-site provision and ensuring that the affordable housing is provided in small groupings synchronised with the overall phasing of the development;

Improving services for Gypsy / Travellers – bid made for funding to improve 2 of Highland’s Council owned sites;

New housing allocated via Registered Social Landlords with strong commitment to equal opportunities;

and

Improving access to affordable housing to help house homeless households.

10.2 An Equality Impact Assessment (EQIA) has been carried out on this SHIP. The screening identified that the SHIP could have a high adverse or differential effect on disabled households. Remedial / mitigation actions were developed whilst developing the overall strategic approach as well as this SHIP. In line with The Highland Council’s EQIA guidelines, as remedial actions have been established, there is no requirement to proceed to a full EQIA. Remedial / mitigation action will be taken by ensuring that:

All affordable housing continues to be built to Varying Needs Standards where appropriate.

Suitable sites and units for housing for older people and people with disabilities are identified at the Local Development Forums to meet the Council’s 600 unit target.

Households with high housing needs requiring specially adapted housing are identified by housing organisations and The Council and new build solutions developed at the Local Development Forums.

The thresholds set in the SHIP for building specialist housing in developments with more than 10 units are implemented.

Equipment and adaptations policy solutions, including resource requirements, are discussed between the Council and housing organisations - needs have been identified in this SHIP.

Discussions continue to take place with health and SWS colleagues to develop solutions to meet the needs of other groups with particular needs e.g. people with acquired brain injury; older people with extra care needs.

Outputs are monitored to assess whether need is being met.

Access for All

If you need this information in another format, such as large print, Braille or audio or if English is not your first language and you need help, please contact us to discuss your needs.

Contact Information

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