

Agenda item	16
Report no	EDI 15/17

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure Committee

Date: 8 November 2017

Report Title: Strategic Housing Investment

Report By: Director of Development and Infrastructure

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 2018–2023. The report also seeks approval to vary the funding assumptions in relation to high cost schemes within the Council house build programme and approval in principle to support additional Mid-market rent schemes within the SHIP and for specific approval of £1.8m loan funding for schemes in Drumnadrochit and Glendoe Terrace, Inverness.
- 1.2 The proposals contained within this report will assist in meeting part of the aims expressed within 'Local Voices/Highland Choices', namely that the Council will provide homes across the Highlands that are responsive to local needs.

2 Recommendations

- 2.1 Members are asked to approve :
 - the Strategic Housing Investment Plan, as submitted to the Scottish Government in draft form, included within **Appendix 1**;
 - the indicative investment programme, included within **Appendix 2**;
 - that exceptional cost Council house build projects be agreed by the Director of Development and Infrastructure, in consultation with Local Members, the Director of Corporate Resources and the Chair of Environment, Development and Infrastructure Committee;
 - the use of prudential borrowing to support mid-market developments identified within the SHIP on the basis that individual projects will be subject to approval of the Environment, Development and Infrastructure Committee; and
 - funding of £1,700,000, utilising the Council's ability to access prudential borrowing, is loaned to the Highland Housing Alliance, on terms and conditions to be agreed by the Director of Development and Infrastructure and the Director of Corporate Resources, to fund Mid-market rent housing in Drumnadrochit and Inverness.

3 Background

- 3.1 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 overall Affordable Housing Investment Programme (AHIP). SHIPs contribute to achieving better prioritisation and making best use of public resources.
- 3.2 Strategic Housing Investment Plans (SHIPs) are developed in line with Scottish Government guidance which sets a submission date of 27 October 2017. The SHIP has been submitted as a draft pending Committee's agreement of the priorities and prioritisation processes set out within **Appendix 1**, in the knowledge that it contains a degree of over programming. An indicative programme up to 2022/23 is included as **Appendix 2** of this report. It is intended that amended planned investment programmes will be reported to Committee on an annual basis, with individual projects being submitted for approval as required.
- 3.3 At the meeting of Resources Committee, held on 23 November 2016, members approved the use of General Fund prudential borrowing of £1,700,000 to part fund the delivery of 16 new mid-market houses in Munloch and at Raining's Stairs Inverness.

4 Highland's Strategic Housing Investment Plan 2018 - 2023

- 4.1 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 the draft Highland Housing Strategy and the Council's programme for 2017-22 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.
- 4.2 The plan 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 the overall Scottish Government targets.
- 4.3 Due to the economic climate 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.
- 4.4 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 the Scottish Government meet to monitor the investment programme and agree site priorities based on the draft Housing Strategy and SHIP. Invariably sites will drop out of the programme if they become non deliverable whilst others will be brought into the programme.

5 Council House Build Programme

5.1 Since commencement of the Council House Build programme in 2008/09 over 1,000 council houses and flats have been completed or are under development, with agreement to a further 180 per year based on funding assumptions outlined in paragraph 5.2.

5.2 Committee, at the meeting held on 11 May 2016, agreed a level of funding for the new build programme based on the following assumptions:

	Amount	% of Total
Scottish Government Grant	£59,000	44%
Landbank Funding	£14,000	10%
Prudential Borrowing (funded from rental income)	£62,000	46%
Total	<u>£135,000</u>	

5.3 An analysis of completed projects within programme with the previous 2 years confirms an average unit cost of £134,000, which is within the parameters set for the project. However, the identified need for larger houses, and houses to meet the particular needs of disabled clients, coupled with a general rise in overall tender values has made delivery very challenging on some sites. This is an issue for housing for particular needs, some small sites, sites in high value market areas and where site conditions dictate more extensive below ground works. Projects within these categories are considered to be 'High Cost Projects'.

5.4 High Cost Projects

5.4.1 There is a balance to be struck between proceeding with higher cost schemes which would inevitably reduce the programme, particularly in cases where the costs relate to more specialised properties or are in high value/challenging locations, and delivering projects which meet the cost parameters but not necessarily the particular housing needs. It has previously been agreed that proposals for High Cost schemes be referred to Committee for consideration of additional investment through the Landbank Fund with awards of up to an additional £10,000 per property. Although the Scottish Government grant available for council house builds is £59,000, Scottish Government officers have confirmed that additional grant may be available in exceptional cases but that any additional award would require be a no more than 44% of an additional cost mirroring the rate of grant award for projects with an overall cost of £135,000 per unit. Council officers will continue to work with the Scottish Government to maximise investment opportunities.

5.4.2 For future projects it is proposed that high cost schemes be agreed by the Director of Development and Infrastructure, in consultation with Local Members, the Director of Corporate Services and the Chair of Environment, Development and Infrastructure Committee, as follows:

	Amount	% of Total
Scottish Government Grant	£70,000	44%
Landbank Fund	£20,000	12%
Prudential Borrowing	£70,000	44%
Total	<u>£160,000</u>	

6 Mid-market Rent Programme

6.1 National Housing Trust Initiative

6.1.1 The National Housing Trust (NHT) initiative was designed to deliver more new houses for mid-market rent in areas where there is unmet demand for housing. For the first five to ten years the houses are rented at mid-market rent and after this period, the tenant has the option to purchase the property. While the tenant rents the property, the landlord meets the costs for factoring, buildings insurance and maintenance.

6.1.2 To date, the Highland Housing Alliance (HHA) has built 162 NHT homes. These homes have been spread across several sites in Inverness, Kildary, Golspie, Ardersier and Kiltarlity. Current occupancy rates are 100%, which is sign of the demand for the tenure. HHA has a substantial waiting list for homes and are able to fill a home quickly in the event a tenant moves on.

6.2 Funding new Projects

6.2.1 The Highland Council has previously approved the use of General Fund prudential borrowing to deliver the NHT programme and similar Mid-market rent schemes in Munloch and at Raining's Stairs, Inverness.

6.2.2 The NHT programme is no longer available to local authorities which has led Officers to consider various other models for delivery of mid-market rent schemes and, following discussions with Scottish Government officials, the model which gives greatest flexibility and delivery certainty is to develop the Munloch/Raining's Stairs model replacing the equity share and guarantee, utilised within NHT, with a Scottish Government grant and Highland Council prudential borrowing repayable through rental income. The interest rates would be set by the Director of Corporate Resources.

6.3 Inverness and Highland City-Region Deal

6.3.1 As part of the Inverness and Highland City-Region Deal, the Council has agreed with Scottish Government to offer young people attractive, affordable housing in the Highlands to enable them to stay in the region, retaining a young, vibrant workforce for the Highlands. The project aims to deliver high quality housing for young people, initially for rent at affordable levels but with an opportunity to purchase, enabling young people to remain and invest in their communities, rather than migrating to other areas of Scotland.

6.3.2 A funding model has been devised based on a combination of City Region Deal funding of £6,000 per unit and Scottish Government Grant of £28,000 per unit. The model is also based on the remaining investment being available as a loan from the Highland Council utilising prudential borrowing as per the original NHT funding.

6.3.3 Two schemes which assist in delivery of this programme are within wider developments in Drumnadrochit and Glendoe Terrace, Inverness. The Drumnadrochit proposals would deliver 5 units for Mid-market rent as part of the 108 house development which includes 23 for social rent (including community care housing) and 4 for low cost home ownership. The Glendoe proposals would deliver 10 units for Mid-market rent as part of the 53 house development which includes 35 for social rent and 8 for low cost home ownership. These proposals would require a loan of up to £1.8m.

7. Implications

- 7.1 Resource: The use of prudential borrowing of £1,800,000 is required for this project, any interest accrued is repaid through the rental stream.
- 7.2 Legal: no significant legal issues.
- 7.3 Community (Equality, Poverty and Rural): This report will assist in the delivery of affordable housing in a rural area. Mid-market rent projects will assist in meeting the needs of unmet housing demand for those who cannot compete in the open market but are unlikely to have sufficient points for council housing, due to overall housing pressures in the Highlands.
- 7.4 Climate Change/Carbon Clever: Neutral impact.
- 7.5 Risk: It is considered that any risk to the Council will be covered by the rental stream of the Mid-market rental homes. The original, standard NHT model is no longer in operation and it is proposed that this project is approved subject to a guarantee limited to £5,000 per unit as per the previously approved North Dingwall, Raining Stairs and Munloch projects. The previous guarantees have never had to be drawn down on any project and it is considered that £5,000 per unit is more than sufficient to cover any risk of non-payment of rent to the Council
- 7.6 Gaelic: No impact.

Designation: Director of Development and Infrastructure

Date: 01 November 2017

Author: Allan Maguire, Head of Development and Regeneration

The Highland Council

Strategic Housing Investment Plan

2018/2023

1. Introduction

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 2018/19 to 2022/23, in order to achieve our 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.

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 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.

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 (2017-2022) 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

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.

Whilst the Highland SHIP will be updated every two years, it will continue to be reviewed on an annual basis in order to take account of these changes or any other subsequent updates.

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.

A Highland Housing Strategy Group (HSG) continues to meet on a 6 monthly basis. Their role is to oversee the development of the HNDA, LHS and SHIP and to monitor and review the outcomes of the LHS and SHIP.

The Strategy Group representatives are as follows:

- The Council's Community Services
- The Council's Development & Infrastructure Service
- Scottish Government's More Homes Scotland
- Registered Social Landlords (RSLs)
- Cairngorm National Park Authority
- Highland Small Communities Housing Trust

The Highland Housing HUB, which was established in June 2016, meets weekly. HUB membership includes staff of;

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

The HUB has set a number of objectives:

- Deliver the Highland 5 year new build Affordable Housing Programme.
- Collectively agree a revised Highland Strategic Housing Investment Plan.
- 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

Six Local Development forum (LDF) sub groups operate at an HMA level. Their remit is to consider potential sites. Increasingly there is a need to target resources to meet LHS objectives through solutions which provide best value rather than, for example,

exceptionally expensive projects or less targeted/more opportunistic investment projects. As such the group also takes into account:

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

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

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

5. Strategic Priorities

Within each Housing Market Area, investment will be mainly targeted at communities identified as having the greatest affordable housing pressures in the LHS. The priority communities for providing new affordable housing are set out in Appendix 1. These priorities recognise the importance of investing in small rural communities as well as larger communities.

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

Whilst the HNDA identifies most households in housing need require social rented housing, some households can be lifted out of housing need by 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.

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

The size of affordable housing built will aim to meet strategic and locally evidenced current and projected needs. Processes are put in place for each potential site to develop agreement on the tenure and house size mix. The Housing Development Team participates in early pre-planning and planning discussion where affordable

housing is required, and any associated Community Consultation. The Team also meets regularly with developers, architects, RSLs, Highland Housing Alliance and the Highland Small Communities Trust on specific sites to discuss tenure type, mix and programme in line with meeting LHS and SHIP priorities.

6. Highland Council Contribution to Enabling Delivery

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

6.1 Use of Council land and assets

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

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

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

6.3 Use of other Council funding

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

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

6.4 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 requirements of Education.

6.5 Prudential borrowing

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

Many of the sites being taken forward for council housing are being developed in partnership with our housing association partners. There is a focus on making the best use of resources to deliver social rented housing where it is most needed, particularly in areas where locally based housing associations do not have potential projects.

Additionally, our prudential borrowing has been able to support onward lending to the Council's development partners for other initiatives such as the National Housing Trust.

7. Deliverability

7.1 Funding

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

The Scottish Government has allocated £37.541m to Highland for 2018-19, £42,473m for 2019/20 and £45,314 for 2020/21. We aim to deliver at least 500 units a year and have capacity 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.

As development in rural communities also can often be expensive, we will continue to promote the needs for unavoidable costs to be recognised so that rural communities do not lose much needed investment.

7.2 Innovation

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

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

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

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

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

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

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

7.3 Land Supply

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

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

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

We also look to encourage and support the use of brownfield sites in pressured areas. As this often incurs prohibitive costs due to contamination and site assembly, we will continue to seek contributory funding where appropriate.

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

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

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

Equalities

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

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

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

Equalities Impact Assessment

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

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

Specialist Provision

The Highland Council supports the Scottish Government's agenda for housing care and support and for shifting the balance of care, to enable independent living of older households and other vulnerable people.

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

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

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

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

Strategic Environmental Assessment

Consideration has been given to whether a Strategic Environmental Assessment of this SHIP is required, and as "responsible authority" the Council has taken the decision that this is not necessary. The LHS was subject to pre-screening under the Environmental Assessment (Scotland) Act 2005, where it was determined that a full

assessment of the LHS was not required. The Local Development Plan which identifies land supply for housing was subject to a full Strategic Environmental Assessment in 2013, and the LHS was developed in tandem. The environmental impacts associated with delivery of the SHIP programme will be captured through monitoring of the Local Development Plan.

Sustainability

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

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

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

Consultation

In developing the final SHIP 2018/19 to 2022/23, 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,
Development & Infrastructure, The Highland Council on 01463 702858.

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 longer term priorities e.g. securing land for future development.
<p>Lochaber:</p> <ul style="list-style-type: none">• Fort William and the neighbouring 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• Mallaig is a longer term 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 longer term priorities e.g. securing land for future development.
<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 - 2018/2023 DRAFT TABLES

Appendix 2

	TENURE					% of Total	NOTIONAL YEAR OF APPROVAL					
	THC Rent	H A Rent	LCHO	MMR	TOTAL		Pre 18/19	18/19	19/20	20/21	21/22	22/23
Badenoch & Strathspey												
Aviemore, Inverdrue		6			6		6					
Grantown on Spey, Breachan Court	15	0		8	23		10	13				
Grantown on Spey, Rear of Police Station		4			4		4					
Grantown on Spey, Lawson Site		5			5				5			
Newtonmore		8		6	14		14					
Aviemore, Dalfaber		14			14					14		
Aviemore, Sluggans Drive		10		4	14		14					
Aviemore, High Burnside		3			3			3				
Aviemore, Spey House		20		6	26				26			
Cromdale, Tom-an-uirid View	3		2		5		5					
Kingussie		12			12			12				
Carrbridge, Struan Hotel		10			10				10			
Carrbridge	12				12		12					
Kincraig		6	4		10					10		
Aviemore, Former School	20			10	30			30				
Nethybridge		6	2	4	12				12			
Nethybridge (2)		8			8				8			
Dulnain Bridge	8			6	14			14				
Sub Totals	58	112	8	44	222	5%	65	72	39	22	24	0
Caithness												
Thurso, Pennyland, phase 1		6	6	6	18			18				
Thurso, Pennyland, phase 2		12	6	6	24							24
Wick		10			10					10		
Caithness, to be confirmed	20	20		10	50							50
Sub Totals	20	48	12	22	102	2%	0	18	0	0	10	74
Inverness												
Croy		15	4	6	25		25					
Drumnadrochit		11	4	5	20		20					
Fort Augustus	10		4		14				14			
Inverness, Essich Road			3		3		3					
Inverness, Ness Castle phase 1		30	12		42		42					
Inverness, Ness Castle phase 2		27			27		27					
Inverness, Inshes Holdings	25		10	15	50				50			
Ardersier	10				10			10				
Ardersier (2)		5			5					5		
Inverness, Glendoe Terrace	35		8	10	53		53					
Inverness, Westercraigs	30				30			30				
Inverness, Wester Inshes Farm North		27			27					27		
Inverness, Wester Inshes Farm South		18	6		24							24
Inverness, Parks Farm Phase 5		33			33		33					
Inverness, Raining Stairs	6		10		16		16					
Inverness, Smithton, Murray Rd	8				8			8				
Inverness, Slackbuie (ASDA)		37		15	52			52				
Inverness, Thistle Road		8		5	13						13	
Inverness, Slackbuie, off B861		20			20			20				
Inverness, Morning Field Road	18				18		18					
Inverness Slackbuie, Site G		22			22				22			
Inverness, Tower Road	21		6		27		27					
Inverness, Balvonie		36	4	9	49		49					
Inverness, West of Castlehill Rd	17				17					17		
Foyers		4	2		6			6				
Gorthleck		2	2		4			4				
Kiltarlity	7		6	4	17			8	9			
Kirkhill		10		6	16						16	
Dores		6	6		12				12			
Beauly		8		2	10		10					
Inverness East (Stratton), Phase 1	60		20	10	90				50	40		
Inverness East (Stratton), Phase 2		72	12	16	100			50		50		
Inverness, Westhill		48			48				48			
Inverness, Stratton Lodge		13		12	25							25
Inverness, St Valery	12				12			12				

Inverness, Milton of Leys (east of School)		10			10			10				
Inverness, Balloan Road	10			4	14			14				
Inverness, Craigton	40		10	10	60			60				
Inverness, Drummond Hill		15			15			15				
Inverness, Midmills	31				31		31					
Inverness, Anderson Street		20		10	30							30
Inverness, Bogbain West		20			20			20				
Inverness, Easterfield	21				21						21	
Inverness, Ness-side		100	20	25	145			25	25	25	25	45
Inverness, Torvean, Caravan Park		12			12					12		
Inverness, Druids Temple		25			25						25	
Inverness, N E of Academy Street	30			20	50					50		
Inverness City, Academy Street		23		17	40			40				
Inverness, Caroline MacAskill House		8			8					8		
Tornagrain		20		20	40					20	20	
Inchmore	8				8			8				
Errogie		1			1			1				
Drumnadrochit, Care Project		12			12			12				
Drumnadrochit, Former Med Centre	4				4			4				
Drumnadrochit	10			10	20					20		
Inverness, Torvean	40			10	50				25		25	
Inverness, Torvean Basin	20				20			20				
Inverness, Ness-side		116	10	19	145			25	25	25	25	45
Inverness, High School	30				30					30		
Inverness, Lommond Gardens		20			20			20				
Inverness, St Frances Gardens	12				12					12		
Sub Totals	515	854	159	260	1788	42%	354	386	354	355	170	169

Lochaber

Ballachulish		15			15				15			
Acharacle		3			3			3				
Duror, Achindarroch		4	2		6		6					
Invergarry			4		4					4		
Fort William, High Street	12				12			12				
Lochyside, Former School	25	23	6		54		54					
Fort William, Blar Mor		60	10	20	90				30	30	30	
Upper Achintore, phase 1		40		20	60			60				
Upper Achintore, phase 2		40		20	60					60		
Achabeg		2			2			2				
Ballachulish (West Laroch)		15			15			15				
Bunree		3			3				3			
Fort William, Glasdrum Road	5				5			5				
Fort William, Lundavra Road		20	10		30				30			
Fort William, Former Achintore PS		20			20						20	
Glencoe		12			12			12				
Glencoe (2)		10			10							10
Glenuig		3			3					3		
Kinlochleven			2		2		2					
Kinlochleven (2)		4			4					4		
Small Isles		8	4		12			3	3	3	3	
Lochaline			2		2		2					
Mallaig		8			8			8				
Spean Bridge		10			10			10				
Sub Totals	42	300	40	60	442	10%	64	130	81	104	53	10

Nairn

Nairn, Lochloy, Phase 3		23			23		23					
Nairn, Kingsteps		23			23				23			
Nairn, Forres Road		21		10	31			31				
Nairn, Town Centre	6	12		10	28				12	12	4	
Nairn, Cawdor Road		22			22			22				
Aldearn		6			6					6		
Sandown, phase 1	25		10	10	45			45				
Sandown, phase 2		25		10	35					35		
Nairn, to be confirmed					0							
Sub Totals	31	132	10	40	213	5%	23	98	35	53	4	0

East Ross

Alness, Lindley Court		8	2		10		10					
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Alness, Darroch Brae	15				15							15
Alness, Perrins Road	6				6		6					
Alness, Kendal Crescent	11				11		11					
Invergordon, House of Rosskeen		10		8	18			18				
Invergordon, Cromlet Drive		42	8	10	60				60			
Invergordon, Seabank		10	10	10	30							30
Invergordon, High Street		19		12	31			31				
Invergordon, Saltburn	15		5	10	30					30		
Alness, Dalmore, Phase 3		32	9	10	51			31		20		
Alness, Obsdale Road	20				20					20		
Alness, Newfields		5			5		2	3				
Alness, Alness East	20	30	10	20	80			20	20	20		20
Evanton, Culcairn, Phase 1		15	5		20							20
Evanton, Teandallon, Phase 1	15		4	6	25			15	10			
Kildary, Urquhart Close		6		2	8					8		
Seaboard Villages	4		8		12			4		8		
Invergordon, Joss Street	5				5		5					
Tain, Seaforth Road		26		4	30							30
Tain, Craighill, Phase 1	14		6		20							20
Tain, Rowan Drive		14		6	20					20		
Sub Totals	125	217	67	98	507	12%	34	122	90	126	30	105

Mid Ross

Avoch, Memorial Field		28		18	46		26		20			
Conon Bridge, Bridge View, Phase 2		20		8	28		28					
Conon Bridge, Braes of Conon		20	8		28		28					
Conon Bridge, Former Fish Factory		18			18				18			
Cromarty, Townlands		20			20				10	10		
Dingwall, Achany Road	12				12		12					
Dingwall, Caberfeidh	7				7			7				
Dingwall, Larch Way	8			4	12			8	4			
Dingwall, Chestnut Road		10			10			10				
Dingwall, Tulloch Court		16	4		20				20			
Dingwall, Tulloch Street		20			20							20
Dingwall, Ross House	12				12		12					
Dingwall, Micklefield	40			10	50			30		20		
Muir of Ord, Corrie Road		10			10		10					
Muir of Ord, Corrie Road (2)		20	10	10	40				20			20
Muir of Ord, Broomhill		6			6		6					
Muir of Ord, Black Isle Road	10	20		10	40					20		20
Munlochy, Cameron Crescent	4			6	10		10					
North Kessock, Phase 4		10			10		10					
Rosemarkie, Greenside		7		6	13			13				
Conon Bridge, Ferintosh	15				15				15			
Culbokie	10	6			16			6		10		
Fodderty, Former School Playground	2		4		6					6		
Maryburgh, Former School	10				10				10			
Maryburgh, D Cameron Court		12			12			12				
Newhall, Former School Playground		4	4		8						8	
Strathpeffer	10			10	20			10	10			
Tore	4				4				4			
Sub Totals	144	247	30	82	503	12%	142	96	131	66	8	60

Wester Ross

Poolewe		2			2		2					
Ullapool, North Road, Phase 1		8		7	15		15					
Gairloch, Achtercairn		4	4		8						8	
Autbea			2		2			2				
Gairloch, Fasaig			5		5					5		
Gairloch, Ginn Park	8				8		8					
Lochcarron, Kirkton	6		6	4	16			6		10		
Sheildaig		2	2		4			4				
Ullapool, North Road, Phase 2	10		6		16					16		
Torridon	2		2		4			4				
Sub Totals	26	16	27	11	80	2%	25	16	16	15	8	0

Skye and Lochalsh

Broadford, Strath House	11				11		11					
Broadford, Campbell's Farm		24			24		24					

Broadford, General		50			50				25	25		
Balmacara		7			7		7					
Dornie, St Duthac Drive		6			6			6				
Kyle, Main Street		13			13		13					
Kyle, Former Hydro Shop		5			5		5					
Portree, Dunvegan Road	8				8				8			
Portree, Struan Road	12				12			12				
Portree, Former Bus Garage		17			17			17				
Portree	30	30			60				15	15	15	15
Broadford, to be confirmed		35			35					15	20	
Kyle		25			25			5	12	8		
Sleat	10		10		20			6	6	8		
Kyleakin		14			14				14			
Uig		4			4				4			
Staffin		2	2		4			4				
Staffin (West of Nurse's Cottage)		2			2		2					
Staffin (Common Grazings)		2	4		6			6				
Raasay		2			2					2		
Glendale		2			2						2	
Gleneig		2			2						2	
Sub Totals	71	242	16	0	329	8%	62	56	84	73	39	15

Sutherland

Dornoch, Deans Road		13			13		13					
Ardgay, The Square		2	2		4		4					
Bonar Bridge		2			2			2				
Dornoch, Elizabeth Crescent	12				12			2			10	
Dornoch, Kennedy Road				4	4			4				
Dornoch, North		8			8		8					
Dornoch, Stafford Road		10			10							10
Golspie	10			4	14					14		
Embo	6				6				6			
Sutherland, North West	10	8			18			2	4	8	4	
Sub Totals	38	43	2	8	91	2%	25	10	10	22	14	10

1070	2211	371	625	4277	100%	794	1004	840	836	360	443
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Total over 5 years (including over programming) \leftarrow 3,483 \rightarrow
= average per year of 697