

Agenda Item	8.
Report No	HP/09/23

HIGHLAND COUNCIL

Committee: Housing & Property Committee

Date: 27 April 2023

Report Title: Strategic Housing Investment Plan 2023-2028

Report By: Executive Chief Officer Housing and Property

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 2023–2028.

2 Recommendations

2.1 Members are asked to:

- **APPROVE** the Strategic Housing Investment Plan attached as **Appendix 1**, for submission to the Scottish Government in draft form pending consideration by Area Committees.
- **AGREE** the indicative planned investment programme to 2028 contained in **Appendix 2**, subject to further discussion by Area Committees.

3 Implications

3.1 **Resource** – The Council House Build proposals contained within SHIP will be progressed in line with the current agreed funding mechanisms of the Scottish Government Grant, Landbank subsidy and Prudential Borrowing.

3.2 **Legal** – There are no legal issues arising from this report.

3.3 **Community (Equality, Poverty and Rural)** - This report will assist in the delivery of affordable housing in rural areas.

3.4 **Climate Change/Carbon Clever** – The investment programme will comply with national legislation and with the Council's objectives in regard to delivering energy-efficient, low-carbon homes.

3.5 **Risk** – There are no implication arising from this report.

3.6 **Gaelic** – There are no implications arising from this report.

4. **Background**

4.1 This report introduces the Highland's Strategic Housing Investment Plan 2023-2028, which is included as **Appendix 1**.

4.2 Council Housing Strategies, and specifically their Strategic Housing Investment Plans (SHIPs), are the key statements of local housing development priorities which are used to guide funding. They assist the Government in targeting its Affordable Housing Investment Programme (AHIP). SHIPs contribute to achieving better prioritisation and making best use of public resources at a time when these are particularly constrained.

4.3 Strategic Housing Investment Plans (SHIPs) are developed in line with Scottish Government guidance. The SHIP has been prepared as a draft pending Strategic Committee approval and consideration by Area Committees. It has been prepared in recognition of the priorities and prioritisation processes set out within **Appendix 1**, and in the knowledge that it contains a degree of over-programming. An indicative programme up to 2027/28 is included at **Appendix 2** of this report. Any proposed amendments to the planned investment programme will be discussed with Area Committee Members and be reported to the Strategic Committee for approval as required. Budget monitoring will through the HRA Capital Monitoring reports to this Committee.

4.4 The SHIP should be considered in the context of the Future Highlands Health and Prosperity Strategic Partnership Plan. The SHIP links with the Future Highlands principles regarding the provision of affordable and energy efficient housing which meets the needs of occupants across Highland communities.

4.5 The Strategic Housing Investment Plan should be considered alongside the Draft Local Housing Strategy which is presented to Members under a separate report to Committee.

5 **2022/23 Programme Update**

5.1 At the meeting of the Housing and Property Committee held on 15 December 2021, Members agreed the Highland's Strategic Housing Investment Plan (SHIP), which set out proposals for affordable housing investment during 2022–2027, reaffirming the commitment to deliver an average of 660 new affordable homes per annum of which approximately 70% will be for affordable rent and 30% for intermediate affordable housing (e.g. low cost home ownership or mid-market rent), in line with the overall Scottish Government targets. The proposed SHIP 2023-2028, as detailed in appendix A, reflects this approach.

5.2 The number of units receiving tender approval during 2022/23 was 520 and the number of completions 525. There were 404 site starts by the end of March 2023.

5.3 The affordable housing development programme has been constrained by many issues outside the control of the Council or housing association partners. Some of the main constraints are:

1. A lack of economically deliverable sites in areas of greatest housing pressure, particularly in Inverness, Nairn, and parts of Skye.

2. In the Inverness and Inner Moray Firth area, most affordable housing is delivered through section 75 agreements; however, developers will only progress the private housing based on their business plans, cash flows and confidence in market conditions.
3. In Inverness in particular, constraints due to school capacity issues can delay or prevent the development of new housing projects.
4. Related to this, developer contributions, particularly due to the school capacity issues, have resulted in affordable housing projects becoming unviable. Scottish Government housing grants do not cover the additional cost of developer contributions.
5. There can be significant delays in obtaining statutory approvals such as planning permission, (including purification of conditions), Roads Construction Consents and Scottish Water consents. We are working closely with our planning colleagues and others to ensure that all consultants and contractors are fully aware of the statutory authority requirements to minimise these delays.
6. Construction cost inflation and lack of contractors is having a significant impact on the programme.
7. Some identified potential site purchases are being aborted due to landowners no longer being willing to sell, or due to local opposition / concerns over loss of green space.
8. Significant infrastructure/abnormal costs have made some sites unviable following full site investigations have been carried out e.g. very high decontamination costs, peat management, rock removal.
9. The capacity of affordable housing providers, including the Council, has been reduced as financial pressures on investment on existing stock is prioritised over investment in new housing.

5.4 In some areas the increased number of new affordable homes being built has tested the overall capacity of the construction industry to deliver resulting in high tender costs and value engineering and retenders. There is only a very limited pool of contractors willing and able to build affordable housing projects, and some open tender processes have resulted in only one or two tender returns.

5.5 Council officers meet weekly with the Scottish Government and our affordable housing partners and planning colleagues to identify new potential projects or projects which can be brought forward to minimise slippage in the overall programme. Projects which have been delayed can be funded in future years with Scottish government agreement.

5.6 The Scottish Government has allocated grant of £46.428m for 2023/24. A total grant investment of £240.117m has been confirmed as a Resource Planning Assumption for the 5 years covering 2022/2027.

6 Highland's Strategic Housing Investment Plan 2023 - 2028

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

- sets out Highland Council’s key housing investment priorities and demonstrates how they will be delivered so that the outcomes and targets set out in Highland’s Local Housing Strategy and Highland First are achieved.
- sets out opportunities for development across Highland;
- identifies resources which are required to deliver these; and
- enables partners such as housing associations and developers to be involved.
- Is positioned to help deliver key strategic priorities contained in the “Future Highlands – Health and Prosperity Strategic Partnership Plan” approved by the Council in September 2021.

6.2 The draft has been prepared on the basis that it will be possible to approve at least 500 units each year, of which 70% will be for affordable rent and 30% for intermediate affordable housing (e.g., low-cost home ownership or mid-market rent), in line with overall Scottish Government targets.

6.3 Due to the effects of the current economic climate, site challenges and national policy indications, it is anticipated that programme changes are likely. The Strategic Housing Investment Plan therefore proposes criteria which will be used to prioritise the programme should resources be different than presently anticipated.

6.4 The Council works with a range of partners, through various processes to drive forward delivery and in particular the Highland Housing Development HUB through which the Council, housing association partners and Scottish Government meet to monitor the investment programme and agree site priorities based on the Housing Strategy and SHIP. Invariably sites will drop out of the programme if they become undeliverable whilst others will be brought into the programme.

6.5 The individual priorities within areas will be discussed further with Area Committees where additional communities and sites may be identified for inclusion in the overall Strategic Housing Investment Plan.

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Date: 14 April 2023

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The Highland Council

Strategic Housing Investment Plan

2023/2028

1. Introduction

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

- Increase the supply of housing in Highland so that we have enough homes in the right places to meet housing needs.
- People are supported to live independently for as long as possible in their own homes and communities.
- Prevent and respond to homelessness and make sure people have the right help to let them make decisions on their housing options
- Improve the Quality and condition of the housing stock and minimise fuel poverty

The main purpose of The Highland Council's Strategic Housing Investment Plan (SHIP) is to set out how investment in affordable housing will be directed over the five-year period 2023/24 to 2027/28, in order to achieve the priorities that have been identified in the Council's Local Housing Strategy (LHS).

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

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

The Council approved the "Future Highlands-Health and Prosperity Strategic Partnership Plan" in September 2021. The SHIP, and the Council's next Local Housing Strategy, will have an important role in delivering key strategic priorities contained in the Plan. Examples of this are the role of house building in driving economic growth and supporting emerging industry; green energy and net zero carbon targets; health care innovation and meeting the challenges of demographic change; and in strengthening communities and addressing depopulation.

The draft Highland Local Housing Strategy 2023-2028 builds on the progress of the 2017-22 LHS and sits at the heart of all housing planning arrangements and partnership activities in Highland. It is an ambitious strategy, setting out what homes and communities should look and feel like over the next five years. The Strategic Housing Investment Plan 2023/2028 reflects the vision and priorities identified within this draft.

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. To provide the evidence required to calculate local housing and land requirements over the next 20 years, Highland Council has produced a Housing Need & Demand Assessment (HNDA), which was signed off as robust and credible by the Centre for Housing Market Analysis in December 2021, this has been used to arrive at targets within the SHIP.

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

- A gradual increase in applicants on the Highland Housing Register.
- Fairly stable numbers of homelessness presentations annually.
- 1,292 of the overall number of applicants (9,376 as of 1 December 2022) on the housing register, currently living in accommodation that does not meet their current health / mobility needs.
- Continuing high levels of housing need and housing pressures across most of Highlands, with particular concentrations in some communities.

The Scottish Government accepted in principle the recommendations of the Homelessness and Rough Sleeping Action Group in June 2018. Additional recommendations from a reconvened group in response to the Covid 19 emergency have also been agreed. The Scottish Parliament has brought forward the planned extension of the Unsuitable Accommodation Order, which now applies to all homeless households. Revisions to "local connection" and "intentionality" tests in relation to homelessness are also planned. All of these measures, whilst welcome in terms of extending the rights of homeless households, rely on increased housing supply, particularly in Inverness

One of the key homeless priorities is a swift transition to a Rapid Rehousing approach, including Housing First when appropriate.

The Council has an existing commitment to shift the balance of temporary accommodation from private sector HMO accommodation to furnished accommodation from our own stock. We have been increasing Council owned temporary accommodation by 50 units a year, and this process has accelerated this year. This shift is being driven by the housing development programme. Despite this we are still using private sector property and have recorded breaches of the Unsuitable Accommodation order. As a result of Covid 19 and wider housing pressures we have had an increased demand on temporary accommodation and have 743 households in temporary accommodation (as of 30 September 2022).

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

Our Rapid Rehousing Plan is focussed on using the Scottish Government funding through the Ending Homelessness Together Fund to:

- Reduce time spent in temporary accommodation, through the appointment to 3 dedicated Rapid Rehousing Officers to work with households who have been in temporary accommodation the longest.
- Expand our successful shared temporary accommodation initiative
- Develop our Housing First project jointly with NHS Highland.

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

Lack of affordable housing supply is undoubtedly a major contributor to the high levels of homelessness experienced in parts of Highland and continuing to increase supply is the single biggest factor in addressing homelessness.

3. Strategic Targets

Highland's draft Local Housing Strategy sets the targets for affordable housing, and the SHIP sets out how resources will be used over 5 years (2023-2028) to deliver these affordable housing priorities. The priorities listed in the SHIP tables are those which have been identified. Annual updates of the SHIP will include new opportunities likely to emerge over the 5 year period.

Housing Market Area (HMA)	Target % of Investment	Unit Approvals 5 years
Badenoch & Strathspey	8.8	300
Caithness*	2.9	100
East Ross	13.2	450
Inverness	35.3	1,200
Lochaber	7.4	250
Mid Ross	13.2	450
Nairn	4.4	150
Wester Ross	5.9	200
Skye & Lochalsh	5.9	200
Sutherland	2.9	100
Highland	100	3,400

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

4. Partnership Framework

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

The Highland Housing HUB, which was established in June 2016, meets weekly. This has resulted in housing associations who had previously stopped or significantly

reduced their development programmes being brought back to the table as they are now keen to develop more.

HUB membership includes staff of:

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

The HUB has set a number of objectives:

- Deliver the Highland 5-year new build Affordable Housing Programme.
- Collectively agree a revised Highland Strategic Housing Investment Plan based on the priorities set out in the Local Strategy.
- Maximise investment levels for the delivery of affordable housing in areas of greatest need.
- Work collaboratively and cement partnerships to deliver agreed outcomes
- Streamline Communication between different agencies that have a role within the delivery of housing.
- Demonstrate a model of working which can be rolled out to other areas of Scotland

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

Six Local Development forum (LDF) sub-groups operate at an HMA level. Their remit is to consider potential sites. Increasingly there is a need to target resources to meet Local Housing Strategy 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 considers:

- 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 meeting 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 Local Housing Strategy. The priority communities for providing new affordable housing are set out in **Appendix 1**. The priority for Caithness will be on regeneration activity in order to address very localised issues of low housing demand and contribute to wider economic regeneration. These priorities recognise the importance of investing in small rural communities as well as larger communities.

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

These principles are set out in the Future Highlands Health and Prosperity Strategic Partnership Plan which was approved at Council on 9 September 2021. The Plan focuses on a number of principles which are included within the SHIP:

- Delivery of green, energy efficiency housing as part of the Council's approach to net zero emissions;
- Providing affordable and midmarket rent housing to sustain Highland communities and encourage economic and population growth;
- Working with the NHS and other partners to provide housing and new housing models which meets the changing needs of occupants.

Whilst the Housing Need and Demand Assessment identifies that most households in housing need require social rented housing, some housing needs and aspirations can be better addressed other low-cost housing options. We recognise that a mix of affordable tenures can help to create well-balanced communities. This has influenced our target for the mix of affordable housing to be provided. We will aim to provide a minimum of 10% of affordable houses built to a "wheelchair liveable standard" – i.e. meet both basic and desirable criteria as specified in Housing for Varying Needs standards.

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

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

The size of affordable housing built will aim to meet strategic and locally evidenced current and projected needs. Processes are put in place for each potential site to

develop agreement on the tenure and house size mix. The Housing Development Team participates in early pre-planning and planning discussion where affordable housing is required, and any associated community consultation.

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

6. Highland Council Contribution to Enabling Delivery

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

6.1 Use of Council Land and Assets

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

6.2 Use of Council Tax Revenue from Second and Long-Term Empty Homes

We will use any surplus revenue from Council tax from second and long-term empty homes to fund new Council housing, development loans, bridging finance and provide funding for land and infrastructure.

6.3 Use of other Council Funding

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

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

6.4 Use of Compulsory Purchase Orders

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

6.5 Evergreen Infrastructure Fund

The Council has successfully assisted in delivery of 6 major housing projects by making available loan finance through the Evergreen Fund for infrastructure improvements in Fort William, Dingwall, Drumnadrochit, Evanton and Inverness. In addition, the Fund has assisted in the delivery of key projects in rural areas including

Dalnain Bridge and Avoch. Funding has been allocated to support assist in developing additional projects included within the SHIP.

The Council will consider loan applications to the Fund that relate to other major sites and use the Fund as grant funding for high-cost affordable housing sites which are constrained by high infrastructure costs.

6.6 Developers Contributions

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

6.7 Prudential Borrowing

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

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

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

7. Deliverability

7.1 Funding

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

The Scottish Government has allocated grant of £46.266m to Highland for 2022/23 and £46.428m for 2023/24. We aim to deliver an average of 660 units a year with the annual outputs depending on funding.

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

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

The challenges to delivery should not be underestimated, there is a lack of economically deliverable affordable housing sites in the Highlands for a variety of reasons. We will continue to work with partners to seek ways to overcome these constraints to delivery.

The Council, and their housing partners, will continue to develop and refine business plans to reflect the need for improvements to existing stock as well as the need to secure additional homes to meet identified needs.

7.2 High Tender figures

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

We will monitor the programmes and costs and take steps as required to minimise risk, delays, and cost overruns.

7.3 Innovation

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

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

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

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, and the Communities Housing Trust to explore new potential mechanisms for providing housing and new housing models.
- Supporting communities to develop new community-based models of housing such as those previously provided in Helmsdale, Drumradrochit, Kinlochbervie, Fort Augustus, Staffin, Dornoch and Achiltibuie.
- Continuing to work with developers to use the Evergreen Infrastructure Loan Fund to open up sites for affordable housing development.
Working with CHT to bring forward new mechanisms to provide housing in rural communities. This includes provision of bridging finance enabling households to overcome constraints and access mortgages for self-build.

7.4 Supply

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

The proposed new Inner Moray Firth Local Development Plan (IMFLDP) identifies preferred sites, potentially resulting in a net reduction of housing units in comparison with the currently adopted IMFLDP. Any reduction may affect delivery of affordable housing, particularly in locations where it is proving difficult to deliver due to lack of site opportunities.

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

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

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

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

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

The Council along with partners including HIE have funded surveys which seek to identify the needs of business within 3 pilot areas; Badenoch and Strathspey, Skye and Fort William. These have led to a further pilot within Badenoch and Strathspey where an association of businesses are able to nominate tenants to properties secured by the Highland housing Alliance.

The needs which that are anticipated to arise from the development of Opportunity Cromarty Firth will require housing partners to secure significant additional land within the Inner Moray Firth. This will be progressed through continued discussion with owners and land agents

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 Local Housing Strategy 2017-2022. This concluded no negative impacts were anticipated from the outcomes and actions prioritised in the Strategy.

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

Specialist Provision

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

- 1 Improve joint planning, commissioning and partnership delivery processes across housing, health, and social care partners through contributing to the development and implementation of a Housing Contribution Statement.
- 2 Review use of and access to older persons housing and consider future options.
- 3 Examine the role of core and cluster models for mixed client groups to maximise the impact of supported housing options and agree on preferred models for Highland as well as defining and locating client groups most in need.
- 4 Develop data arrangements to create a joint evidence base across housing and NHS Highland that will help to assess current and future specialist housing requirements at both Highland and local levels.
- 5 Prioritise services which encourage and enable people to plan and make well informed choices about their future housing needs.
- 6 Review and evaluate the use of assistive technology that enables people with particular housing needs to live independently and well at home.
- 7 Consider how Local Development Planning policies can support the delivery of wheelchair and accessible housing, including the setting of wheelchair housing targets across all tenures.
- 8 Develop and implement new Handyperson and Care and Repair Service Level Agreement.
- 9 Ensure effective and consistent mechanisms in place to access, assess and progress adaptations across all tenures in Highland.

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.

Empty Homes

In addition to work undertaken by the Development Team of the Council we have appointed an Empty Homes/Private Rented Sector Liaison Officer, funded from our Rapid Rehousing Transition Plan Funding and Shelter Empty Homes Funding. This post is designed to bring empty homes back into use and thus address some of the need for additional affordable opportunities. The post will also work with Private Rented Sector Landlords to develop closer working arrangements with that sector following the positive consultation which Crisis carried out with the PRS in Highland in 2019.

Improving the Lives of Gypsy Travellers

There is an ongoing need and demand in Highland for culturally appropriate accommodation and facilities to meet the needs of people from the Gypsy / Traveller community.

We are working with the residents on each of our four Gypsy / Traveller sites with the aim of transforming where they live into 'great places to live and bring up children'.

This is a key priority and to deliver it we are working to source funding from various Scottish Government budgets including the Gypsy Traveller Accommodation Fund, Vacant & Derelict Land Improvement Programme, and Net Zero Energy fund. Highland Council has been awarded £2,150,000 from the low carbon Vacant and Derelict Land Investment Programme and £4,450,000 from the Gypsy Traveller Infrastructure fund to support works to the Longman Park, Inverness with the Highland Council contributing £541,000.

We also intend to bid for funding for Spean Park, Spean Bridge as soon as the SG GTAF opens again. We are continuing to identify options to improve our other two sites (Laggan Park, Newtonmore and Kentallen Park, South Lochaber).

Our investment drivers include:

- local and national commitments to deliver a fairer and more inclusive Highland and improve the lives of Gypsy Travellers,
- a recognised need to improve and future proof site accommodation and facilities
- changes in the preferences and aspirations
- changes in fire safety standards
- publication of the Scottish Government' Interim Site Design Guide

Our ambition, shared with the residents, is to deliver timber framed modular 'park home' style units. By using this innovative (in this context) build type, we hope to demonstrate what can be achieved and provide learning to others.

Vacant and Derelict Land Fund

We will continue to respond to opportunities presented through any future rounds of funding which would potentially assist in developing longer term vacant and derelict land and buildings.

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 Local Housing Strategy was subject to pre-screening under the Environmental Assessment (Scotland) Act 2005, where it was determined that a full assessment of the LHS was not required. The Local Development Plan which identifies land supply for housing was subject to a full Strategic Environmental Assessment in 2013, and the LHS was developed in tandem. The environmental impacts associated with delivery of the SHIP programme will be captured through monitoring of the Local Development Plan.

Sustainability

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

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

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

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

Consultation

In developing the final SHIP 2023/24 to 2027/28, 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, Registered Social Landlords, 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 and Regeneration.

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.
<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; Drumadrochit and Fort Augustus are priorities • The emerging needs resulting from Opportunity Cromarty Firth will be considered • The communities around South Loch Ness are priorities for investment potentially through local community initiatives.
<p>Lochaber:</p> <ul style="list-style-type: none"> • Fort William and the surrounding communities are the highest priorities in recognition of the additional pressures due to the expansion of the Smelter. • Small discreet investment to support the sustainability of the Ardnamurchan peninsula's rural communities, e.g. Strontian and Kilchoan, are also a priority
<p>Nairn:</p> <ul style="list-style-type: none"> • Nairn town is the highest priority.
<p>Easter Ross:</p> <ul style="list-style-type: none"> • Priorities are Invergordon, Tain, Alness and Evanton • The emerging needs resulting from Opportunity Cromarty Firth will be considered.
<p>Mid Ross:</p> <ul style="list-style-type: none"> • Dingwall is the highest priority • The emerging needs resulting from Opportunity Cromarty Firth will be considered • All other communities are priorities (albeit communities with recent investment are lower priorities).
<p>Wester Ross:</p> <ul style="list-style-type: none"> • Ullapool, Gairloch and Lochcarron are the highest priorities. • Applecross, Achiltibuie and Torridon are priorities for investment potentially through local community initiatives
<p>Skye & Lochalsh:</p> <ul style="list-style-type: none"> • Portree, Broadford and Plockton to Dornie communities are the highest priorities • Other communities with recent investment are lower priorities.
<p>Sutherland:</p> <ul style="list-style-type: none"> • Dornoch, Clashmore and Embo are the highest priorities • The effect of the promotion of the NC500 route may influence investment. • Initiatives to address repopulation in North West Sutherland

NB: the Local Housing Strategy specifies that the target for investment in Caithness is based on the need for regeneration activities to address low demand e.g. using the existing stock.

Highland Strategic Housing Investment Plan - 2023/2028.

Appendix 2

	Tenure						% of Total	Pre 2022/23 yet to complete	2022/23	2023/24	2024/25	2025/26	2026/26	2027/28
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF	Total sum								
Badenoch & Strathspey														
Aviemore, Aviemore Former School	16					16			16					
Aviemore, Reidhaven Estate (Dalfaber)			3			3				3				
Aviemore, regeneration (Morlich Court)		24		6		30			30					
Aviemore, North		30		10		40						40		
Carrbridge, Carr Road	5			6		11		11						
Carrbridge, Struan Hotel	6			4		10			10					
Cromdale	1					1	1							
Cromdale S75	2			2		4				4				
Dalnain Bridge					8	8			8					
Dalnain Bridge, Rose Cottage	6			4		10								
Granttown-on-Spey, Castle Road		20	7	8		35		10						35
Kincraig, Phase 1	6			4		10		10						
Kincraig, Phase 2	6			4		10			10					
Kingussie	15			8		23			23					
Kingussie, High Street (Badenoch House)	6					6		6						
Nethy Bridge, Laing	5			0		5			5					
Nethybridge, Lettoch Road		6		0		6					6			
Newtonmore		8	4	6		18			18					
Sub-total	74	88	14	62	8	246	5.9%	21	40	97	7	6	40	35

Caithness														
Thurso, Pennyland		12	6	6		24							24	
Thurso, Ormie Regeneration	22					22		2						20
Wick, Wick Regeneration		10				10				10				
Sub-total	22	22	6	6	0	56	1.3%	2	0	0	10	0	24	20

Inverness														
Ardersier		23	2	4		29		29						
Ardersier Phase 2		16	4			20					20			
Beauly, Fire Station site		10		2		12		12						
Beauly, Fire Station Ph2				4		4		4						
Croy		12				12					12			
Dores, The Glebe	8			8		16			16					
Drumnadrochit, Benleva				6		6		6						
Gorthleck, Gorthleck		6			4	10							10	
Inverness, Balloch Farm Ph 1	15		4	12		31		31						
Inverness, Balloch Farm Ph 2	18					18		18						
Inverness, Balloch Farm Ph 3	30		10	10		50					50			
Inverness, Balloch Farm Ph 4	20		6	8		34								34
Inverness, MoL 10			17			17			17					
Inverness, MoL 11		21				21			21					
Inverness, MoL South	40		10	10		60				60				
Inverness, Ashton Farm, Phase 1	30		10	10		50						50		
Inverness, Ashton Farm, Phase 2		30	10	10		50								50
Inverness, Inshes Small Holdings (north)	12		6	10		28					28			
Inverness, Inverfarigaig				5		5		5						
Inverness East Development Brief, phase 1	20	20	20	20		80						80		
Inverness, Land at Druid's Temple		18	2	5		25			25					
Inverness, Lower Slackbuie (Slackbuie G)		24				24		24						
Inverness, Ness Castle ph4		22		8		30				30				
Inverness Ness side C3	25					25		25						
Inverness, Ness side ph4		26	6	8		40				40				
Inverness, Off the shelf purchases	165					165		15	25	25	25	25	25	25
Inverness, Stratton (East, Barn Church Rd) ph1	28	8	8	10		54		54						
Inverness, Stratton (East, Barn Church Rd) ph2		38	18	42		98			98					
Inverness, Stratton (East, Barn Church Rd) ph3		40	10	10		60						60		
Stratton North	50	50	10	40		150				150				
Kirkhill (Tullochs)		16	4	4		24		24						
Kirkhill, MacMillan land	6					6			6					
Strathglass, Cannich				2		2		2						
Tornagrain, Tornagrain phase 1		23	6	7		36			13	23				
Tornagrain, Tornagrain phase 2		12	12			24				24				
Tornagrain, Tornagrain phase 3		30		19		49				19				30
Tornagrain, Tornagrain phase 4			12	30		42						12	30	
Torvean	90		20	40		150				50	100			
Inverness, St Valery		10				10				10				
Tomatin	6			8		14			14					
Sub-total	563	455	207	337	19	1581	38.0%	166	108	235	431	235	237	169

Lochaber														
Arisaig, Station Rd					10	10			10					
Ballachulish		20				20				20				
Canna				2		2		2						
Caol, Glenkingie Terr		12		6		18			18					
Duror		6				6			6					
Eigg		0		2		2		2						
Glencoe		12				12			12					

	Tenure						% of Total	Pre 2022/23 yet to complete	2022/23	2023/24	2024/25	2025/26	2026/26	2027/28
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF	Total sum								
Glenfinnan		5				5					5			
Glenuig		3				3					3			
Inchree		10				10					10			
Bunree		6				6						6		
Invergarry					4	4								
Lochaber House	9			6		15	15							
Spean Bridge, Burn Bank		2				2						2		
Spean Bridge, Hobbs ground		10				10					10			
Spean Bridge, Tigh Aran		20				20	20							
Fort William, Blar Mor, Phase 1	87		10	20		117	117							
Fort William, Blar Mor, Phase 2	30		10	26		66		66						
Fort William, Blar Mor, Phase 3	20		6	20		46						46		
Fort William, Glasdrum	6					6	6							
Fort William, Lundavra Road		20				20							20	
Fort William, Upper Achintore Ph 1		63		20		83	82							
Fort William, Upper Achintore Ph 2		30		28		58			50					
Fort William, Rankin Cres			6			6	6							
Fort William, Rankin Cres Ph2		20	8			28				28				
Glenshiel		4				4			4					
Mallaig		8				8	8							
Mallaig Ph 2		6				6			6					
Kilchoan		2				2			2					
Kinlochleven, Foyers Road		8				8			8					
Roybridge					3	3				3				
Knoydart					5	5		5						
Strontian	4					4			4					
Strontian, Dhal Mor	6					6					6			
Sub-total	162	267	40	126	26	621	14.9%	256	83	127	72	54	20	0

Nairn														
Nairn, Delnies, Ph1	12		5	8		25					25			
Nairn, Delnies, Ph2		12	5	8		25								25
Nairn, Cawdor Road		12	0	10		22		22						
Nairn, Nairn Town centre	12	0	0	0		12	12							
Nairn, Nairn Town centre regeneration	6	0	0			6					6			
Nairn, Sandown	20	0	15	15		50						25	25	
Sub-total	50	24	25	41	0	140	3.4%	12	22	0	25	6	25	50

East Ross														
Alness, Alness East ph1 (Whitehills)		8				8						8		
Alness, Alness East ph2 (Whitehills)		8		4		12							12	
Alness, Coulhill	18					18	18							
Alness, Crosshills, Phase 1	20		6	10		36				36				
Alness, Dalmore, Phase 6		16	2			18		18						
Alness, Dalmore Phase 7		25	10			35				35				
Alness, Darroch Brae	15					15							15	
Alness, Obsdale Road	20		10	10		40							40	
Evanton, Teandallon East	18		6	16		40	40							
Evanton, Teandallon East Phase 2	18		4	10		32		32						
Evanton, Culcairn		25	5	10		40			40					
Invergordon, Cromlet Ph1	35					35		35						
Invergordon, Cromlet Ph2	25					25			25					
Invergordon, Cromlet Ph3	10		4	6		20					20			
Invergordon, Regeneration	15					15					15			
Kildary , Urquhart Close		6		2		8			8					
Seaboard Villages, Seaboard Villages					4	4				4				
Tain, Former TRA	30		6	10		46								46
Tain, Seaforth Road		12		8		20			20					
Sub-total	224	100	53	86	4	467	11.2%	58	85	93	75	43	67	46

Mid-Ross														
Avoch, Rosehaugh	3					3				3				
Conon Bridge, Drouthy Duck	16					16			16					
Conon Bridge, Ferintosh Centre	15					15					15			
Conon Bridge, Former Pescanova, Ph1		18		10		28					28			
Cromarty, Sandilands		25	5			30				25	5			
Cromarty, Townlands (THC land)		8				8								8
Culbokie		14				14	14							
Culbokie School		4				4				4				
Dingwall, Caberfeidh	8					8				8				
Dingwall, Dingwall North, Chestnut Road Ph2		33	4			37		37						
Dingwall, Dingwall North, Chestnut Road Ph3		30		10		40					40			
Dingwall, Meiklefield, phase 1	14					14	14							
Dingwall, Meiklefield, Phase 2	14		6			20			20					
Dingwall, St Andrews Road	15			15		30	30							
Dingwall, Tulloch Square	20					20		20						
Dingwall, Mill Street	6					6			6					
Dingwall, Station Road	20					20		20						
Dingwall, Docharty Road	14		6	10		30				30				

	Tenure						% of Total	Pre 2022/23 yet to complete	2022/23	2023/24	2024/25	2025/26	2026/26	2027/28
	Social Rent The Highland Council	HA Rent Total units	LCHO (ALL) Shared Equity	MMR	RHF	Total sum								
Fodderty, Former Primary School Playground	2		4			6					6			
Maryburgh, Donald Cameron Court Ph 2		6	8			14				14				
Maryburgh, Brahan land	14			6		20		20						
Muir of Ord, Black Isle Road, Phase 1		20	6	10		36				36				
Muir of Ord, South of the Cairns		17		6		23					23			
Newhall, Former school playground		4	4	0		8						8		
Rosemarkie, Greenside Farm		9		4		13	13							
Tore, Woodneuk	3	0				3				3				
Sub-total	164	188	43	71	0	466	11.2%	91	57	62	123	117	8	8

West Ross															
Lochcarron, Kirkton 10 RHIF, 4 (plots)	6				10	16							16		
Lochcarron, Kirkton phase 2, 11 total					11	11							7	3	
Poolewe		0	4			4				4					
Applecross, Hydro Field 10 mixed tenure	4				6	10			6		4				
Gairloch, Achtercairn West	8		8			16					16				
Gairloch, North Fasaich			5			5				5					
Shieldaig, Baile Shuas		2	2			4			4						
Torriddon, rear of Darroch Park (inc self build)		4			6	10			4		4	2			
Aultbea					6	6				6					
Inveralligin					1	1	1								
Achiltibuie (mixed tenure)					10	10				5	5				
Ullapool North	20		15	15		50				20				30	
Sub-total	38	6	34	15	50	143	3.4%	1	0	30	40	36	5	30	

Skye & Lochalsh														
Broadford, Caberfeidh phase 1	10	5				15					15			
Broadford, Caberfeidh phase 2			6			6					6			
Broadford, New site, Campbell's Farm		24				24			24					
Broadford, Campbell's Farm, Phase 5			4			4			4					
Broadford, Campbell's Farm, Phase 6		18				18			18					
Dornie, St Duthac Drive, Phase 4		9				9			9					
Glenelg		4				4			4					
Kyleakin, Kyleakin Phase 2		28				28			28					
Kyleakin, Kyleakin Phase 3		6	2			8			8					
Portree, Nicolson Site, Phase 1		22	6			28			28					
Portree, Portree (Old DAFS Shed site)		2				2			2					
Portree, Woodpark	12					12			12					
Portree, Home Farm Phase 8		14				14			14					
Portree, Biomass site		20				20			20					
Portree, Woodside	6					6			6					
Plockton, School House		3				3			3					
Raasay		2				2			2					
Raasay		6				6			6					
Sleat, Armadale Garden Site		12				12			12			6		
Sleat, Sleat (Kilbeg) phase 1	6					6			6					
Sleat RHIF					11	11			11					
Staffin, old surgery RHIF					3	3			3					
Dunvegan (potential for 28)		16				16			16					
Edinbane RHIF					6	6			6					
Glendale, Borrodale RHIF					6	6			6					
Uig		3				3			3					
Sub-total	34	194	18	0	26	272	6.5%	83	55	90	32	12	0	0

Sutherland														
Bettyhill, Forestry site					2	2			2					
Bettyhill, Munro Place		8			1	9			1			8		
Bettyhill, telecentre (rent)					1	1			1					
Edderton (LCHO, Plots)					10	10			10					
Embo	4					4			4					
Golspie	20					20			20					
Golspie, Drummuie		20				20			20				20	
Lochinver		6			6	12			6		12			
Stoer					3	3			3					
Helmsdale, near Rockview			3			3			3			3		
Dornoch, Elizabeth Crescent, Phase 2	12					12			12					
Dornoch North Phase 2		8			4	12			8					
Dornoch North Phase 3		12				12			12					
Dornoch North Phase 4		14				14			14					
Dornoch, Stafford Road	4					4			4					
Dornoch, Deans Road					6	6			6					
Scourie	3				7	10			3		10			
Ardgay					2	2			2					
Lairg, former hotel site (4 community) RHF		4			4	8			4					
Sub-total	43	72	3	10	36	164	3.9%	2	57	46	28	3	28	0

Grand total	1374	1416	443	754	169	4156		692	507	780	843	512	454	358
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Average of **589** per year