

Agenda Item	9
Report No	HP/40/25

The Highland Council

Committee: **Housing and Property**

Date: **5 November 2025**

Report Title: **Strategic Housing Investment Plan 2026-2031**

Report By: **Assistant Chief Executive - Place**

1 Purpose/Executive Summary

- 1.1 Council Housing Strategies, and specifically 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.
- 1.2 This report seeks approval for the Highland's Strategic Housing Investment Plan (SHIP) which sets out proposals for affordable housing investment during 2026-2031. The Highland SHIP has been prepared in recognition of the priorities and prioritisation processes set out at **Appendix 2**, which includes the Highland Housing Challenge.
- 1.3 The SHIP is updated annually for submission to the Scottish Government. This current version of the SHIP reflects the currently agreed affordable housing investment programme. It is proposed that for the 2027-2031 SHIP, a wholesale review will be undertaken in order to reflect:-
 - The HRA Financial Strategy and what is agreed in January in relation to the future build programme;
 - The findings of the Housing Need Demand Assessment, which will be submitted to Scottish Government in Spring 2026; and
 - Relevant aspects of actions related to the Highland Housing Challenge action plan.
- 1.4 This is a time of considerable challenge and opportunity in the Highland Council area, where there are significant issues in providing housing solutions for communities at risk of losing population but also, in contrast, for areas experiencing potential expansion of population. It is therefore essential to increase the pace and scale of housing development and do so by seeking innovative solutions to increasing and enabling developer capacity, creating new funding models and increasing the availability of land.

2 Recommendations

2.1 Members are asked to:-

- i. **APPROVE** the Strategic Housing Investment Plan as attached as **Appendix 2**, for submission to the Scottish Government;
- ii. **NOTE** that local projects will be discussed with Members in Area Business Meetings;
- iii. **AGREE** the indicative planned investment programme to 2031 contained in **Appendix 3**; and
- iv. **NOTE** that a full review of the SHIP will be undertaken in 2026 to take into account the agreed HRA Financial Strategy and findings from the Housing Need Demand Assessment.

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, Landbank subsidy and Prudential Borrowing. The Housing Revenue estimates 2025/26 detail the borrowing requirements of the newbuild programme, and the long-term rental income generated (section 6). This is based on current agreed programme and prior to agreement of a new HRA Financial Strategy.
- 3.2 **Legal** - There are no legal issues arising from this report.
- 3.3 **Risk** – The investment programme proposed is based upon current levels of funding provided by Scottish Government, along with landbank subsidy and borrowing. Should there be a change to funding levels, this will directly affect the programme.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no implications arising from this report.
- 3.5 **Gaelic** - There are no implications arising from this report.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
 - 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
 - 4.3 **Integrated Impact Assessment - Summary**
 - 4.3.1 An Integrated Impact Assessment screening has been undertaken on 30 Sept 2025. The conclusions have been subject to the relevant Manager Review and Approval.
 - 4.3.2 The Screening process has concluded that there are generally positive impacts generated by the SHIP and the programme of delivery of affordable homes it
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generates. The balance of the programme reflects the needs of our communities both urban and rural and the mix of our housing seeks to address inequalities associated to disability and age. Members are asked to consider the summary in **Appendix 1** to support the decision-making process.

4.3.3	Impact Assessment Area	Conclusion of Screening
	Equality	<i>Positive</i>
	Socio-economic	<i>Positive</i>
	Human Rights	<i>Positive</i>
	Children's Rights and Well-being	<i>Positive</i>
	Island and Mainland Rural	<i>Positive</i>
	Climate Change	<i>Positive</i>
	Data Rights	<i>No impact</i>

5 Background

- 5.1 This report introduces the Highland's Strategic Housing Investment Plan 2026-2031, which is included at **Appendix 2**.
- 5.2 Council Housing Strategies, and specifically 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.
- 5.3 SHIPs are developed in line with Scottish Government guidance. The Highland SHIP has been prepared in recognition of the priorities and prioritisation processes set out at **Appendix 2** including the Highland Housing Challenge, and in the knowledge that it contains a degree of over-programming. Over-programming is standard practice to take account of changes in project planning and sites no longer being viable.
- 5.4 The SHIP is aligned to both the Local Housing Strategy and the Council's Operational Delivery Plan. In June 2024, Highland Council agreed a Highland Housing Challenge in recognition of both the issues in meeting the current need for housing across communities in Highland and the anticipated future demand for housing based upon the economic opportunities coming to the area. In June 2025, a Partnership Action Plan was agreed, outlining important areas of activity, targets and timescales and partner contributions and commitments for action in three key thematic areas – increasing finance for housing development, increasing land for housing development and increasing developer capacity.
- 5.5 An updated Housing Need and Demands Assessment (HNDA) was commissioned in 2024 to support the development of Inverness and Cromarty Firth Green Freeport Business Case. Taking into account the emerging economic need, this identified that the number of homes required over the next 10 years was up to double the original analysis for the area.

For the affordable sector, it was highlighted this means up to 700 units a year are required, rather than the 500 which had originally been forecast. A detailed HNDA has been commissioned and commenced in August 2025. This will support a range of partnership strategies and planning and specifically the Highland Wide Local Development Plan. This will provide credible data to comply with Scottish Government guidance to support the demand forecast and subsequently the proposed SHIP delivery. This is due to be published mid-2026.

- 5.6 The SHIP takes account of any HNDA, but it is accepted that public subsidy cannot increase to the levels required to deliver these numbers in the context of the current grant funding regime from Scottish Government. This is why work has been ongoing to consider additional funding mechanisms for housing across the area.

The HRA Financial Strategy, detailed at item 9 on the agenda, proposes an approach to contribute to the increase in housing, proposing to double the number of affordable homes over the next five years. Extensive work, in partnership with the Scottish National Investment Bank, has also been undertaken to model an alternative funding mechanism. At time of writing this report, a proposal is yet to be finalised, but the aim is to have fully appraised the feasibility of this by December 2025 for subsequent reporting to Committee.

- 5.7 An indicative programme up to 2030/31 is included at **Appendix 3** of this report. Any proposed amendments to the planned investment programme would be discussed with local members in Business Meetings and be reported through the Strategic Committee for approval as required. Budget monitoring will be through the HRA Capital monitoring reports to this Committee.

- 5.8 The SHIP is updated annually for submission to the Scottish Government. This current version of the SHIP reflects the currently agreed affordable housing investment programme. It is proposed that for the 2027-2031 SHIP, a wholesale review will be undertaken in order to reflect:-

- The HRA Financial Strategy and what is agreed in January in relation to the future build programme;
- The findings of the Housing Need Demand Assessment, which will be submitted to Scottish Government in Spring 2026; and
- Relevant aspects of actions related to the Highland Housing Challenge action plan, including the impact of any agreed alternative funding models.

6 2025/26 Programme update

- 6.1 At a meeting of the Housing and Property Committee in November 2024, Members agreed the Highland Strategic Housing Investment Plan (SHIP), which set out proposals for affordable housing investment for 2025/26 – 2029/30. Scottish Government funding for affordable housing for 2025/6 is £47.588m for the Highlands. This was a welcome increase to the 24/25 figure of £35.780m as it addressed both the grant requirements for committed projects as well as supporting new project delivery. Additionally, the Cabinet Minister for Housing has given a welcome commitment to a 4-year funding programme which gives confidence in forward programming for the Council and partners. The reduction of funding in 2024/2025 led

to a slowing of the programme. Such fluctuations are challenging as projects are delayed and restarted.

Completions	2024/2025	308
Forecast completions	2025/2026	545
Forecast property starts	2025/2026	570

6.2 The affordable housing programme has been constrained by many issues outside the control of the Council or housing association partners. As part of the Highland Housing Challenge, actions have been identified, and progressed, in an attempt to mitigate some of these, as detailed in the update to Council in June 2025. Some of the main constraints which continue to affect delivery are:-

1. A lack of economically deliverable sites in areas of greatest housing pressure, particularly in Inverness, Nairn and parts of Skye. The call for sites, undertake as part of the process to revise the Local Development Plan has assisted in identifying additional locations.
2. In the Inverness and Inner Moray Forth area, most affordable housing is delivered through section 75 agreements with developers; however, developers will only progress the private housing based on their business plans and confidence in market conditions. The delivery of affordable housing through this is therefore controlled by the timing of Developers. Building confidence in the market is therefore critical.
3. In Inverness in particular, constraints due to school capacity issues and infrastructure can delay or prevent the development of new housing projects.
4. Related to this, developer contributions, particularly due to school capacity issue, threaten the viability of affordable housing projects. Scottish Government benchmark grants do not cover the 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. The commencement of the Integrated Planning Delivery Service in response to the Highland Housing Challenge is assisting to mitigate these issues.
6. Construction cost inflation and lack of contractors continue to have a significant impact on the programme. This is particularly challenging in rural areas where there are limited/no local contractors and a limited number of contractors who are willing to travel to remote locations. The Council continues to work with the Scottish Government to try and identify guarantee models and/or specific rural funding mechanisms to overcome and address these issues.
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 challenged as financial pressures on investment on existing stock – to meet national energy and condition standards - is prioritised over investment in new housing. The development of a long-term Financial Strategy for the HRA is a way of addressing both issues – ensuring investment in existing stock, alongside growth of Council housing.

6.3 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. The cost of some tenders has been prohibitive which has meant them being held until such time as the market conditions improve.

6.4 In addition to the actions outlined above, Council officers meet weekly with the Scottish Government and regularly with 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.

7 Highland's Strategic Housing Investment Plan 2026/2027 – 20230/2031

7.1 The Highland SHIP for 2026/27 to 2030/31 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.
- Opportunities for development across Highland.
- Identifies resources which are required to deliver these.
- Enables partners such as housing associations and developers to be involved.
- Is positioned to help deliver key strategic priorities contained in the – Our Future Highland Delivery Plan
- Includes a key worker policy statement to guide allocations.
- Recognises the Highland Housing Challenge.
- Will be adjusted for the 2027/28 SHIP to reflect the updated HNDA, the HRA Financial Strategy and additional actions related to the Highland Housing Challenge including any new alternative funding models.

7.2 The draft has been prepared on the basis that it will be possible to approve at least 700 units each year, (subject to finalisation of Scottish government and Council budgets and capacity of partners). 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.

- 7.3 The Council and partners will continue to develop the approach to supporting key workers across the Highland area, targeting allocations based on need and individual circumstances. Scottish Government has given additional monies in 2025/26 to purchase properties for this purpose.
- 7.4 The Council works with a range of partners, to drive forward delivery. 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.
- 7.5 The Council is working closely with SSEN and local contractors / developers to deliver a programme of legacy housing where new housing part funded by SSEN will be let to workers for limited period before transferring over to mainstream affordable housing at a substantially reduced cost. Officers will present individual projects to committee as these arise.

Designation: Assistant Chief Executive - Place

Date: 13 October 2025

Author: Helen Cameron, Housing Development Manager
Brian Cameron, Strategic Lead - Housing & Customer Services

Appendices: Appendix 1 - Integrated Impact Assessment
Appendix 2 - Strategic Housing Investment Plan
Appendix 3 - Proposed Developments

Integrated Impact Assessment Summary - SHIP November 2025

Fairer Scotland	The delivery of additional affordable housing has a positive impact on those experiencing socio economic disadvantage. The life chances of individuals and families living in secure, warm homes are improved. Research shows there is a direct correlation between good health, life expectancy and improved educational attainment and living in secure quality homes. The additional homes proposed through the SHIP are fundamental to this.
Childrens rights and wellbeing impact	The delivery of more affordable family homes has a positive impact on the wellbeing of children both in health and educational attainment. A secure warm home gives space for children to grow and learn in an environment where it is easier to maintain good health and wellbeing. We aim to include family homes on the majority of our sites to ensure we are positively impacting on the lives of Children
Climate Change Impact	Each new home has a positive impact on climate change. The design standards used exceed the current building standard for energy efficiency. Through a fabric first approach we are actively designing to reduce CO2 emissions and minimising the temperature required to enjoy a warm comfortable home.
Human Rights	The proposals embodies the rights that everyone has for private and family life.
Data Protection	There is no impact on data protection created by this report and recommendations
Equalities, Poverty and Human Rights	These proposals will have a positive impact by actively improving opportunities for all those with protected characteristics. The delivery of additional affordable homes using an allocations process based on need; being open, fair and accountable ensures that there is no discrimination against those with protected characteristics. The inclusion of accessible properties across our developments ensures that we are specifically addressing the barriers associated to age and disability. The proposals will also have a positive impact on addressing poverty associated to homelessness or living in insecure accommodation with unaffordable rents.

	These proposals will not have no impact on Human rights
Island and Mainland Rural Communities	These proposals will have a positive impact on both Island and rural communities with projects identified for Skye, the rural west coasts of Sutherland and Ross shire and other communities which fall within the Scottish Government definition of rurality

The Highland Council

Strategic Housing Investment Plan

2026/2031

1. Introduction

The Council's current Local Housing Strategy (LHS), approved in April 2023, was co-produced with LHS delivery partners, stakeholders and local residents. The LHS vision for Highland is that:

“Everyone in Highland has access to a quality home which is attainable, affordable and supports the local economy in a sustainable, connected community where people wish to live, work and study.”

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 2026/27 to 2030/31 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 Council approved “Our Future Highland Delivery Plan 2024-27” in May 2024. The SHIP, and the Council's LHS, have a key role in delivering key strategic priorities contained in the Plan. Examples of this are providing suitable housing options to enable an increased proportion of people over 65 remaining in their own home, an increased number of new houses to sustain rural and communities to address depopulation, and an increased number of key workers accessing local housing.

In June 2024, Highland Council agreed a Highland Housing Challenge in recognition of both the issues in meeting the current need for housing across communities in Highland and the anticipated future demand for housing based upon the economic opportunities coming to the area. In June 2025, a Partnership Action Plan was agreed, outlining important areas of activity, targets and timescales and partner contributions and commitments for action in three key thematic areas – increasing finance for housing development, increasing land for housing development and increasing developer capacity. The SHIP supports and delivers against key priorities agreed to address the Highland Housing Challenge.

The LHS 2023-2028 builds on the progress of the 2017-2022 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 2026/2031 reflects the vision and priorities identified within the LHS and as a dynamic document seeks to adapt year on year to emerging need and Government policy objectives.

2. Strategic Context

The Demand

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, The Highland Council produced a Housing Need & Demand Assessment (HNDA), which has been used to arrive at targets within the previous SHIP.

An updated version of the HNDA (2024) was completed to reflect the impact that the Inverness and Cromarty Firth Green Free Port will have on housing needs over the forthcoming period. In September 2025 the agreement for the Freeport was signed between UK and Scottish Government, Highland Council and the Inverness and Cromarty Firth Freeport. This agreement reinforces the previous estimate that the requirement for homes (across all tenures) will double over the next 10 years with the requirement for affordable housing increasing to 7,000 from the original estimate of 5,000.

A further Housing Needs Assessment has been commissioned and is underway to support the new Highland-wide Development Plan. This will go through the Scottish Government gateway reviews and will provide updated and credible data for our planning from the 2027/28 Strategic Housing Investment Plan forwards. We therefore see the 2026/27 SHIP as an interim strategy with a full refresh capturing the new HNDA data to be completed for the 2027/28 iteration.

Based on the 2024 data, and the commitment articulated within the Highland Housing Challenge, it is accepted that the above level of development is not deliverable with a dependency on public subsidy and we remain committed to seek alternative funding streams to support delivery. Alongside this, work has been progressed to deliver a long term Financial Strategy for the HRA. The intention is that the Financial Strategy, including the 5-year Rent Strategy, will provide a framework to support long-term decision-making for delivering investment in existing and new housing; delivering a strong and sustaining Housing Revenue Account that best utilises its resources, delivers for its tenants and also future tenants across Highland.

Additionally, the required infrastructure upgrades to be completed by SSE and their subcontractors over the next 10 years has added additional pressure to housing need in the Highlands. To successfully deliver the proposed works there will be a requirement for both permanent and temporary housing solutions. The Council is

working with SSE and other partners to identify solutions and opportunities for the project to support the delivery of legacy homes within the Highlands alongside interim solutions for the extensive workforce which will be required.

In September 2025 the housing minister announced the Scottish Government's Housing Emergency Action Plan with its key objectives :

- Ending children living in unsuitable accommodation – as a vital part of the Scottish Government's determination to eradicate child poverty;
- Supporting the housing needs of vulnerable communities; and
- Building our Future – maximising investment in Scotland's housing sector.

The Highland Council's SHIP supports each of these objectives. We also welcome the certainty of a funding over a four year period which gives confidence to both the Council and delivery partners.

Highland's Housing Challenge

In June 2024 the Council declared a 'Housing Challenge', the aim of which was to create a collaborative environment – public/private partnerships - to assist in the delivery of the affordable and private homes which will be required. The Housing Challenge recognises both the issues in meeting the current need for housing across communities in Highland and the anticipated future demand for housing based upon the economic opportunities coming to the area.

In June 2025, a Partnership Action Plan was agreed, outlining important areas of activity, targets and timescales and partner contributions and commitments for action in three key thematic areas – increasing finance for housing development, increasing land for housing development and increasing developer capacity. There is ongoing work with the Scottish National Investment bank and Pension companies to consider alternative sources of funding in new investment models, with a particular emphasis on the delivery of an increased number of mid-market rent properties alongside the social rent offering and to attract build to rent investors to the area.

Approaches to homelessness

The following section provides some context and detail of the Highland approach to mitigating homelessness and delivering services to these households. The Highland approach is in line with national guidance and good performance in 2024/25 was acknowledged by the Scottish Housing Regulator at the bi-annual Highland homelessness review in July 2025.

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.
- 19% of the overall number of applicants (8,767 as of 31 March 2025) on the housing register, are 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 concentrations in some communities.

In recent years, there have been legislative changes such as the extension of the Unsuitable Accommodation Order and the revisions to “local connection” in relation to homelessness. These measures, whilst welcome in terms of extending the rights of homeless households, rely on increased housing supply, particularly in Inverness.

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. Highland has been able to increase the proportion of lets to homeless applicants (53% of all lets in 2024/25) and to significantly reduce the time spent in temporary accommodation. As of 30 September 2025 476 households are in temporary accommodation, compared to a high of 785 households as of 30 June 2021.

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

Our Rapid Rehousing Plan focuses on:

- Reducing time spent in temporary accommodation, through working with households who have been in temporary accommodation the longest;
- Prioritising permanent accommodation for families on the Highland Housing Register;
- Supporting new tenants to sustain their tenancies;
- Expanding our successful shared temporary accommodation initiative where appropriate;
- Mainstreaming the principles and actions of our Housing First project in partnership 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. The actions detailed in the SHIP set out clearly how homelessness pressures can be alleviated through the targeted supply of additional housing in the locations of greatest housing need in Highland communities.

3. Strategic Targets

Highland's Local Housing Strategy sets the targets for affordable housing and the SHIP sets out how resources will be used, over 5 years (2025-2030), 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	Target % of Investment	Unit Approval 5 years
Badenoch and Strathspey	2.9	107
Caithness*	0.9	34
East Ross	17.5	666
Inverness	40.1	1549
Lochaber	7.2	268
Mid Ross	13.2	437
Nairn	4.4	131
Wester Ross	3.2	118
Skye and Lochalsh	9	332
Sutherland	1.6	59
Highland	100	3701

*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, continues to meet 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
- Local 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. Since covid obtaining effective contribution from the statutory authorities has been challenging, but we will continue to seek their input and advice to speed up delivery.

As detailed previously the Council is an active member of the Highland and Islands Regeneration and Economic Partnership (HIREP) a wider economic group across several local authorities which has identified housing supply shortages as the biggest constraint to economic sustainability and expansion.

Local Development forum (LDF) sub-groups previously operated at a local level across Highland. Their remit was to consider potential sites. Increasingly there has been a need to target resources to meet Local Housing Strategy objectives. These forums have not been meeting due, initially to covid, but more latterly due to workload and changing practices with regard to face-to-face meetings. The value of them has been reviewed and a commitment made in both the Partnership Highland Outcome Improvement Plan and the Partnership Housing Challenge Action Plan to re-establish these forums recognising that such collaboration across the agencies

has become critical to the delivery of the affordable housing programme. Engagement across the delivery partners remains to be challenging and a review of how we can get effective engagement and collaboration will be completed over the following months.

The remit of the forums still remains relevant:

- Local community priorities for investment
- Key worker housing need
- Value for money and best use of subsidy
- Deliverability and constraints
- Partnership working
- Proximity to services and facilities
- Housing tenure mix.

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

The Council also holds regular one to one meeting with housing associations and developers. In addition, we continue to meet with the Scottish Government on a weekly basis at the Highland Housing Hub to discuss any issues relating to the Highland programme.

5. Strategic Priorities

Targeting Investment

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 **Annex 1**. The priority for Caithness remains to be regeneration activity to address very localised issues of low housing demand and contribute to wider economic regeneration there are however signs of new economic activity in Caithness which will result in increased housing demand. 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 developments in fragile remote rural communities and local regeneration projects and larger economic drivers.

These principles are set out in the Our Future Highland Delivery Plan which was approved at Council in May 2024. The Plan focuses on several principles pertaining to housing delivery which are included within the SHIP:

- A commitment to increasing the supply of affordable, warm and accessible new housing as detailed in the local housing strategy
- Partnership working to address the provision of key worker housing, veterans housing and accessible housing
- Maintaining the delivery of new houses to sustain rural communities

Local Cost Housing Options

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 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 with 30% alternative tenure mid market or low cost home ownership. 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.

Key Worker Housing

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.

We will work to identify the needs of individual communities and deliver homes of an appropriate tenure. The type of key worker will vary depending on what is required to sustain a successful community and reflective in our definition:

A worker who fulfils a role regarded as vital for the community, especially in the health, education, security, and infrastructure sectors.’

The Council, in conjunction with local housing partners, has prepared a shared policy statement to support the delivery of appropriate tenures for key workers in our communities. The review of the Highland Housing Register Allocations Policy will include assessment of how the policy can assist with the strategic commitment to key worker housing.

New Finance Models

To assist in increasing the supply of new mid-market properties, we are working with private sector investors to explore new finance models for increasing delivery. This

is alongside the commitment to developing a longer term Financial Strategy for the HRA to also support investment in social rented housing.

Because of this, whilst social rented housing will make up a greater share of our new affordable housing provision; aiming for 70% of new affordable provision to be delivered as housing for social rent from housing associations/the Council, 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.

Repopulation of Rural Communities

Repopulation of rural communities relies on access to land and infrastructure services as well as sustainable employment opportunities and access to support services. We will work with Communities through development officers based and connected locally to identify viable development opportunities. This is assisted through the development of local and area place plans, articulating community based priorities.

The higher cost of developing in remote areas is recognised as a potential barrier to the provision of new housing. The Council will continue to work to support new initiatives such as modern construction methods to mitigate challenges. We are also developing leasing models whereby the Council will retain ownership of property but lease to community groups. This reduces the risk to small community trusts as the initial borrowing is secured by the Council and the risk of long-term asset management is retained by the Council. The lease allows community groups to fulfil their local aspirations in terms of targeted letting and long terms ownership where the opportunity arises.

In addition to the above, the Council continues to work with the Scottish Government to try and identify guarantee models and/or specific rural funding mechanisms to overcome and address these issues.

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. This is a key action within the Highland Housing Action Plan and within the Council's Delivery Plan. 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 Public Sector Land and Assets

Taking advantage of the availability of other public property and land assets as they become surplus to their requirements. This is a core action within the Highland Outcome Improvement Plan and is being delivered through the Highland Property Partnership.

6.3 Use of Council Tax Revenue from Second and Long-term Empty Homes

We will continue to use 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. It should be noted that the additional revenue received from the increase in council tax has also been used to support wider council activity. A new Empty Homes Strategy has been developed to assist in targeting bringing properties back into use.

6.4 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. It also 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.

6.5 Developer Opportunities

The 2023/2024 affordable housing programme benefited from a slowdown in the housing market with Developers offering additional homes for sale beyond their section 75 obligations. This continued into 2025/2026, and the Council and Partners will continue to secure such opportunities where the programme and available funding permit.

6.6 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. Highland has already indicated its willingness to engage with the national review of CPO powers, which will likely result in amended legislation in due course.

6.7 Evergreen Infrastructure Fund

The Council has successfully assisted in delivery of 6 major housing projects by making available loan and grant 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 Dulnain Bridge and Avoch. The Council will consider loan applications to the Fund that relate to other major sites and also use the Fund as grant funding for high-cost affordable housing sites which are constrained by high infrastructure costs.

6.8 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. There appears to be a more positive market with Developers identifying an increasing number of projects to come on stream over the next 5 years. 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.

6.9 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 45% of costs.

Many of the sites being taken forward for Council housing are being developed in partnership with our housing 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. This partnership approach speeds up delivery, particularly on larger sites where the Council relies on the funding available from partners to maximise the number of homes deliverable.

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.

The development of an HRA Financial Strategy will support the use of prudential borrowing into the future.

7. Deliverability

7.1 Funding

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

The Scottish Government has allocated grant of £47.588m to Highland for 2025/26. This includes an additional £0.641 to target one off purchases to focus on acquisitions to help address temporary accommodation pressures. The overall target is to deliver an average of 700 units a year with the annual outputs depending on funding. This is an increase of 200 units a year, therefore increasing the importance of identifying sustainable funding solutions. This remains a challenging target particularly given cost pressures, however welcome in that it redresses the lower allocation of the previous year.

The Scottish Government continues to allocate funding through the Rural Housing Fund which assists the development of housing projects in rural communities.

The Islands Programme (£3m) is an opportunity for Island communities to bid for funding to support shovel ready projects. Housing is a permissible development and several Island projects in the Highland have bid for support.

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 or delays with the procurement process 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. As well as funding constraints, 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

The cost of delivery of affordable homes has increased significantly over the last 5 years (c25%). This has led to an increase in subsidy requirements. Such an increase over the long terms is not sustainable and may lead to fewer houses being delivered overall. A review of the space standards and standard specification has been undertaken. The aim is to ensure that the most cost-effective design solutions are being delivered. The table below gives the average cost of build as it has changed over time from pre-covid to 2025/2026. The highest tender that the Council has received has been over £400,000 per unit. The Council has developed a suite of standard house types which will be used where sites allow. The aim being to build homes which meet the standards in the most space efficient way.

Average build costs	
Pre covid	£157,000
Projects impacted by covid	£182,000
Projects completed 2022/2023	£205,000
Projects completed 2023/2024	£226,243
Projects completed 2024/2025	£227,627
Projects committed 2024/2025	£245,000

The higher cost of working in rural areas is recognised and will continue to require additional subsidy. There continues to be support for projects in the current period through the Rural Housing Fund which runs until 2026.

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 operates a policy to make strategic purchases of individual properties on the open market to meet local housing 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 :

- Meeting with representatives of investment funds to explore new sources of finance and alternative approaches to investment.
- Working with Highland Housing Alliance, a development company to explore new potential mechanisms for providing housing and new housing models.
- Supporting communities to develop new community-based models of housing such as those previously provided in Lochinver, Drumnadrochit, 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 Communities Housing Trust to bring forward new mechanisms to provide housing in rural communities. This includes provision of bridging finance and leasing schemes.
- Working with Rural Communities and organisations to derisk funding and long term ownership of housing with a leasing model which supports their aspirations but uses Council borrowing and expertise in long term asset management to recognise the inherent risk of property ownership and the ebb and flow of membership of these organisations.
- Working with the Scottish Government to try and identify guarantee models and/or specific rural funding mechanisms to address the high build costs in rural areas.

7.4 Supply

As well as identifying 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 new Inner Moray Firth Local Development Plan (IMFLDP) identifies preferred sites, potentially resulting in a net reduction of housing units in comparison with the previously 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. Development of a new Highland Wide Development Plan is in progress and the call for sites has identified additional areas of land for housing.

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. We also recognise the value of supporting the development of self-build plots where demand supports the investment, when these represent good value in priority rural communities. There has been a decline in the uptake of self build plots as construction costs increase and the mortgage climate is challenging but it can still be an appropriate solution in some locations. 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.

A number of other public agencies including NHS Highland, the Forestry Commission, Police Scotland, and the National Trust for Scotland 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 previously funded surveys which identify the needs of business within 3 pilot areas: Badenoch and Strathspey, Skye and Fort William.

The opportunities that the Inverness and Cromarty Firth Green Free Port will bring will require housing partners to secure significant additional land within the Inner Moray Firth to meet a projected increase in demand for housing of all tenures. This is being progressed through continued discussion with owners and land agents.

8. Equality and Inclusion

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.

8.1 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 2023-2028. This concluded no negative impacts were anticipated from the outcomes and actions prioritised in the Strategy. A further Integrated Impact Assessment has been completed in accordance with revised Highland Council policy. This has also taken into account socio-economic impacts, children's rights impacts alongside rural and islands impacts.

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.

8.2 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. This is a key strand of the Council's Operational Delivery Plan and the partnership Adult Strategic Plan. The Local Housing Strategy identifies a number of key actions in relation to specialist provision, as follows:

- 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
- Review use of and access to older persons housing and consider future options
- 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
- Prioritise services which encourage and enable people to plan and make well informed choices about their future housing needs
- Review and evaluate the use of assistive technology that enables people with particular housing needs to live independently and well at home
- 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
- 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. During 2023/24 The Scottish Government consulted on an enhanced design brief for housing. The outcome of this consultation has not been reported but placed on hold given the current funding challenges.

There is an increasing need for larger homes and properties more suited to elderly tenants and those with very particular needs. The mix within 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.

8.3 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 The Highland Council was awarded £2.150m from the low carbon Vacant and Derelict Land Investment Programme and £4.450m from the Gypsy Traveller Infrastructure Fund (GTIF) from 2023/24 to support works to the Longman Park, Inverness with the Highland Council contributing £1.031m.

This funding relates to the building of 13 new modular homes on the Longman Park site, as well as the development of other community facilities there including a community building and community garden. The site works will be completed by Summer 2026. Further investment work is scheduled in 2025/26 on the Spean Bridge site in 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's 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.

9. Environmental Considerations

9.1 Vacant and Empty Property

The Council will consider opportunities to bring empty homes and other properties back into use as quality affordable accommodation. 35 homes were brought back into use in 2024/25 as a result of specific intervention by the Empty Homes Officer.

Working with the Empty Homes Partnership The Highland Council Housing and Property Committee in August 2025 approved the additional funding required for an

additional Empty Homes Officer. This post will focus on the identification of homes suitable for compulsory purchase orders, open market acquisitions and links to key worker housing need as appropriate.

An Empty Homes Strategy has been developed with the support of stakeholders including the More Homes Division of the Scottish Government and the Empty Homes Partnership. This Strategy is being presented as a separate report to this Committee for approval.

9.2 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.

9.3 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.

9.4 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 affordable 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 80% 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.

10. Engagement on the SHIP

In developing the final SHIP 2025/26 to 2029/30, stakeholders and partners have fed 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.

11. 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: servicesupport.place@highland.gov.uk or contact the Housing Development Team at Housing.Development@highland.gov.uk

Annex 1 LHS Priorities for Affordable Housing Investment 2024-2029

Badenoch & Strathspey: • Aviemore is the highest priority • All other communities, apart from Dalwhinnie, are priorities.
Caithness: • Caithness's communities are a priority for regeneration activities e.g. using the existing stock. The highest priorities are greater Wick and Thurso.
Inverness: • Inverness City is the highest priority • Beaulay; Ardersier; Drumnadrochit and Fort Augustus are priorities • The emerging needs resulting from the Inverness and Cromarty Firth Free Port will be considered • The communities around South Loch Ness are priorities for investment potentially through local community initiatives.
Lochaber: • 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
Nairn: • Nairn town is the highest priority.
Easter Ross: • Priorities are Invergordon, Tain, Alness and Evanton • The emerging needs resulting from Opportunity Cromarty Firth will be considered.
Mid Ross: • 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).
Wester Ross: • Ullapool, Gairloch and Lochcarron are the highest priorities. • Applecross, Achiltibuie and Torridon are priorities for investment potentially through local community initiatives
Skye & Lochalsh: • Portree, Broadford and Plockton to Dornie communities are the highest priorities • Other communities with recent investment are lower priorities.
Sutherland: • 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

Regeneration

- Housing stock in some areas falls below current standards due to condition, oversupply, change in aspiration of tenants. A plan for regeneration will impact on future programmes

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.

APPENDIX 3

Highland - Strategic Housing Investment Plan Projects 2026/27 to 2030/31

Rural & Island Housing Fund projects

Approved pre 2025/26

Scottish Government
approval period

Client	% of Total	Pre 2025/26 yet to complete	2026/27	2028 to 2030/3	TOTAL NEW HOMES 5 YEARS
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Badenoch & Strathspey						
Aviemore, Former School site	THC		12			
Aviemore, Larig View	THC		2			
Aviemore, Morlich Court	Cairn		18			
Aviemore, Reidhaven Estate (Dalfaber)	HHA		5			
Kingussie, Kerrow Drive	Caledonia		22			
Nethybridge, Laing	Albyn		21			
Newtonmore Ph1	THC		12			
Newtonmore Ph1	HHA		8			
Newtonmore Ph2	THC		16			
Aviemore, Former Ambulance depot	THC			9		
Boat of Garten	CHT			2		
Kincraig, Ph2	HHA			4		
Kincraig, Ph2	THC			2		
Open Market Purchases 2026-27	THC			2		
Dulnain Bridge	THC				6	
Kingussie, Market Stance	THC				4	
Kingussie, St Vincents Hospital site	THC				16	
Cromdale, Tom an Uird Ph3	CHT				4	
Grantown-on-Spey, West of Health Centre	Community				6	
Aviemore, North site ph1	THC				32	
Aviemore, Health centre site	THC				20	
Sub-total			116	19	88	107
		2.9%				

Caithness						
Thurso	Cairn			10		
Thurso, Pennyland Phase 2	Cairn				14	
Wick, Wick	Cairn				10	
Sub-total				10	24	34
		0.9%				

Inverness - City					
Inverness Slackbuie H	HHA	32			
Inverness, Clachnaharry	THC	20			
Inverness, Easterfield ph2	Caledonia	18			
Inverness, Easterfield ph2	Caledonia	6			
Inverness, Parks View	THC	19			
Inverness, Parks View	HHA	10			
Inverness, Parks View	THC	4			
Inverness, Parks View (additional flats)	THC	4			
Inverness, St Valery Drive	THC	10			
Inverness, Stratton (East) ph3	CRE / PfP	24			
Inverness, Stratton (East) ph3 - Barnchurch Road	CRE / PfP	6			
Inverness, Stratton (East) ph3 - Barnchurch Road	CRE / PfP	28			
Inverness, The Maples (Ness-side) A4/B2	HHA	23			
Inverness, Torvean ph1	THC	20			
Inverness, Torvean ph1	HHA	6			
Inverness, Torvean ph1	THC	4			
Inverness, Westercraigs Creagan Place	THC	21			
Inverness Slackbuie H	THC		8		
Inverness, Balloan Road	THC		12		
Inverness, Culcabock Avenue	HHA		5		
Inverness, MacLennan Crescent	Albyn		5		
Inverness, MoL Leys Square	THC		24		
Inverness, MoL South (Hazeldene) ph1	THC		50		
Inverness, Ness side ph4 (A6)	HHA		12		
Inverness, Ness side ph4 (C1)	THC		31		
Inverness, Off the shelf purchases 26/27 - THC	THC		5		
Inverness, OTS purchases 26/27 - MMR - Albyn	Albyn		5		
Inverness, Westercraigs ph3	Cairn		40		
Inverness MOL Ph 10	HHA			20	
Inverness, Balloch Farm Ph 3	HHA			20	
Inverness, Balloch Farm Ph 3	THC			4	
Inverness, Balloch Farm Ph 3	THC			26	
Inverness, East - P46342 Stratton D (big site)	THC			50	
Inverness, Knocknagael	THC			30	
Inverness, MoL Commerical Land	THC			20	
Inverness, Off the shelf purchases 27/28 - THC	THC			5	
Inverness, Torvean ph2	THC			30	
Inverness, East - P46342 Stratton D2 (big site)	THC			50	
Inverness, East - Stratton (Cradlehall)	THC			50	

Inverness, East - Stratton Springfield	Caledonia			50	
Inverness, Ness Castle ph4	THC			30	
Inverness, Off the shelf purchases 28/29 - Albyn	Albyn			5	
Inverness, Off the shelf purchases 28/29 - THC	THC			5	
Inverness, Wester Inshes Farm (North) DC land	THC			40	
Inverness, Westercraigs ph4	Cairn			40	
Essich (Call for sites)	TBC			50	
Inverness former prison site	THC			30	
Inverness Wester Inshes (Commercial land)	TBC			25	
Inverness, Druids and Welltown (Call for sites)	TBC			140	
Inverness, Off the shelf purchases 29/30 - THC	THC			5	
Inverness, Anderson Street	THC			30	
Inverness, Balloch Farm Ph 4	THC			50	
Inverness, Castlehill road - site to west of	THC			17	
Inverness, East - P46342 Stratton D3 (big site)(continuation of Barnchurch Road)	THC			50	
Inverness, East - Stratton (Seafield)	THC			70	
Inverness, East - Stratton Springfield ph2	Caledonia			50	
Inverness, Inshes Small Holdings	THC			28	
Inverness, Milton of Leys - expansion T	THC			40	
Inverness, MoL South (Hazeldene) ph2	HHA			50	
Inverness, Off the shelf purchases 30/31 - THC	Albyn			5	
Inverness, Torbreck farm	THC			30	
Inverness, Wester Inshes Farm (South) DC land	THC			40	
Inverness - Wider Area					
Dores, the Glebe	THC	12			
Tomatin	Community	6			
Tornagrain, Tornagrain phase 3 (Block 1C)	CRE / PfP	18			
Tornagrain, Tornagrain phase 3 (Block 1C)	CRE / PfP	21			
Tornagrain, Tornagrain phase 4 - Blocks 104-106	CRE / PfP	34			
Tornagrain, Tornagrain phase 4 - Blocks 104-106	CRE / PfP	22			
Tornagrain, Tornagrain phase 4 - Blocks 104-106	CRE / PfP	30			
Tore (Woodneuk)	THC		3		
Tornagrain, Tornagrain (Tulloch ph1)	CRE / PfP		20		
Tornagrain, Tornagrain (Tulloch ph1)	CRE / PfP		10		
Tornagrain, Tornagrain (Tulloch ph1)	CRE / PfP		5		
Avoch, Rosehaugh Road	THC			3	

Gorthleck	CHT			4	
Gorthleck	Albyn			6	
Kirkhill, MacMillan land	THC			6	
Tornagrain, Tornagrain (Tulloch ph1b)	CRE / PfP			24	
Croy	TBC			13	
Kiltarlity (Non S75)	TBC			21	
Kiltarlity Ph1	TBC			8	
Kiltarlity Ph2	TBC			14	
Kirkhill, (OBP)	THC			30	
Sub-total		398	235	1314	1549
		40.1%			

Lochaber					
Eigg	Community	2			
Fort William, Glenkingie Terr	Lochaber	18			
Lochaline	Community	14			
Mallaig	Lochaber	14			
Canna	Community		3		
Glenshiel	Lochaber		4		
Kinlochleven, Foyers Road	Lochaber		8		
Knoydart	Community		6		
Muck	Community		2		
Roybridge, former school site	Lochaber		4		
Roybridge, former school site	Community		2		
Fort William, Former St Mary's school	THC			25	
Glenfinnan	THC			5	
Invergarry	Community			6	
Ballachulish	Lochaber			8	
Fort William, Lundavra Road	THC			20	
Glencoe	Lochaber			8	
Inchree	Lochaber			10	
Strontian, Dhal Mor	THC			6	
Fort William, Blar Mor, Phase 3	THC			15	
Fort William, Blar Mor, Phase 3	THC			44	
Fort William, Upper Achintore Ph 2	Curb			82	
Kilchoan	Lochaber			2	
Spean Bridge, Hobbs	THC			8	
Sub-total		48	29	239	268
		7.2%			

Nairn					
Nairn, Delnies, Ph1	Cairn	30			
Nairn, Delnies, Ph1	Cairn	6			
Nairn, Delnies, Ph1	Cairn	12			
Nairn, Delnies, Ph2	Cairn			27	
Nairn, Nairn Town centre regeneration	THC			6	
Nairn, West	THC			40	

Nairn, Sandown	HHA			8	
Nairn, Sandown	THC			50	
Sub-total		48	0	131	131
		4.4%			

East Ross					
Alness, Alness East ph1 (Whitehills)	THC	22			
Alness, Alness East ph1 (Whitehills)	THC	4			
Alness, Dalmore Ph 7	Albyn	6			
Alness, Dalmore Ph 7	Albyn	28			
Alness, Obsdale	Albyn	19			
Edderton	THC	8			
Invergordon, Cromlet Ph2	THC	30			
Invergordon, Cromlet Ph2	Albyn	13			
Invergordon, Rosskeen	THC	22			
Invergordon, Rosskeen	Albyn	12			
Invergordon, Rosskeen	THC	12			
Tain, Seaforth Road	Albyn	16			
Alness, Alness East ph2 (Whitehills)	THC		22		
Alness, Crosshills, Ph 1	THC		20		
Alness, Crosshills, Ph 1	THC		30		
Alness, Crosshills, Ph 1	THC		10		
Evanton, Teandallon ph3	THC		14		
Evanton, Teandallon ph3	HHA		16		
Invergordon, Cromlet Ph3	THC		12		
Invergordon, Cromlet Ph4	THC		15		
Kildary , Urquhart Close	Albyn		8		
Tain The Grove	THC		8		
Tain, Craighill terrace (Primary school)	THC		30		
Alness, Arbol Wood	Albyn			8	
Alness, Crosshills, Ph 2	THC			60	
Alness, Dalmore ph 8	Albyn			30	
Evanton, Culcairn	Cairn			19	
Invergordon, Castle Ave	THC			20	
Invergordon, Mains	THC			50	
Tain, Former TRA Ph 1(Craighill replacement site)	THC			70	
Balintore	THC			14	
Evanton, Teandallon ph4	THC			40	
Invergordon, Cromlet ph3	THC			14	
Tain, Upland Dev site	Albyn			30	
Alness, East (Milnafua)	Albyn			50	
Evanton, Culcairn ph2	THC			21	
Evanton, Culcairn ph2	THC			5	
Invergordon, Mains ph2	THC			50	
Sub-total			185	481	666
		17.5%			

Mid-Ross					
Conon Bridge, Drouthy Duck	THC		6		
Conon Bridge, Riverford	HHA		15		
Conon Bridge, Riverford	THC		4		
Conon Bridge, South	Albyn		40		
Conon Bridge, South (non s75)	Albyn		14		
Dingwall, Meiklefield, Ph 2	THC		34		
Fodderty, Former Primary School Playground	THC		4		
Conon Bridge, School belt	THC			7	
Cromarty, Townlands	Albyn			26	
Cromarty, Townlands	Albyn			4	
Dingwall, Castle Park ph3	Albyn			15	
Dingwall, Castle Park ph4	Albyn			24	
Dingwall, Castle Park ph4	Albyn			6	
Mid Ross - Off the shelf purchases	THC			2	
Muir of Ord, Black Isle Road, Ph 1	CRE / PfP			29	
Muir of Ord, Black Isle Road, Ph 1	CRE / PfP			41	
Muir of Ord, Black Isle Road, Ph 2	CRE / PfP			30	
Muir of Ord, Simpsons site	THC			15	
Conon Bridge, Riverford (Non 75)	TBC			7	
Culbokie School	Cairn				4
Dingwall, Docharty Road	THC				16
Maryburgh, Donald Cameron Court Ph 2	Albyn				12
Muir of Ord, Former police station site	CRE / PfP				5
Avoch	TBC				35
Avoch (Non S75)	TBC				20
Conon Bridge, Ferintosh Centre	THC				15
Contin, former school	Cairn				5
North Kessock	TBC				47
North Kessock (Non S75)	HHA				20
Fodderty, by Cemetary	CHT				6
Conon Bridge, Former garage site	THC				26
Dingwall, Castle Park ph5	Albyn				20
Sub-total				206	231 437
		13.2%			

West Ross					
Lochcarron	THC		14		
Strathcarron (Attadale Estate)	THC		6		
Ullapool, Broom Court	Albyn		4		
Applecross	Community			6	
Applecross	Albyn			4	
Ullapool, Golf course North	THC			16	
Ullapool, NHS Highland building	Albyn			7	
Altbea	CHT				4
Gairloch, Achtercairn West	THC				8

Ullapool, Golf course North ph2	THC			12	
Ullapool, Golf course North ph2	HHA			8	
Poolewe	Community			6	
Shieldaig	Albyn			4	
Torridon, rear of Darroch Park	Albyn			4	
Ullapool, Golf course North Ph3	HHA			8	
Ullapool, Golf course North Ph3	THC			20	
Badcaul, Dundonnell	CHT			6	
Gairloch, North Fasaich	THC			5	
Sub-total			33	85	118
		3.2%			

Skye & Lochalsh					
Broadford, Campbell's Farm, ph6	LSHA	20			
Broadford, MacKinnon hospital site	THC		12		
Dunvegan ph1	LSHA		16		
Elgol	LSHA		2		
Glendale Borrodale	CHT		6		
Minginish	Community		6		
Portree, Home Farm ph8	LSHA		10		
Portree, Home Farm ph8 - MMR	Albyn		4		
Portree, Kiltaraglen (Nicolson), ph1	LSHA		30		
Portree, Kiltaraglen (Nicolson), ph1 - mmr	Albyn		6		
Staffin Old Surgery	Community		2		
Achmore	LSHA			4	
Edinbane	THC			6	
Plockton, Airfield site	THC			3	
Portree, Home Farm ph9	LSHA			16	
Portree, Woodpark	THC			14	
Ratagan	LSHA			2	
Saraig	Community			3	
Broadford, Caberfeidh ph1	LSHA			15	
Broadford, Caberfeidh ph1	LSHA			5	
Dunvegan Orbst Farmhouse	Community			2	
Kilbeg SMO Ph3	CHT			6	
Portree, Home Farm ph10	LSHA			22	
Portree, Kiltaraglen (Nicolson)	THC			22	
Portree, Kiltaraglen (Nicolson), ph2	LSHA			16	
Portree, Kiltaraglen (Nicolson), ph2 - se	LSHA			10	
Shulista, Kilmuir	CHT			5	
Uig / Kilmuir	LSHA			5	
Broadford, Caberfeidh ph2	LSHA			14	
Kyleakin	LSHA			6	
Portree, Home Farm ph11	LSHA			18	
Portree, Kiltaraglen (Nicolson), ph2	THC			30	
Portree, Rockfield site	LSHA			14	
Sub-total			94	238	332

9.0%

Sutherland						
Achiltibuie	Community		10			
Dornoch North Ph4	Albyn		12			
Durness	THC		7			
Scourie, Crofters Site	CHT			9		
Stoer Crofters Site	CHT			4		
Ardgay	CHT				2	
Bettyhill, Munro Place	Albyn				6	
Dornoch, Stafford Road	THC				4	
Lochinver The Glebe	Community				10	
Melness	CHT				12	
Embo	Community				4	
Golspie, Drummie (SSE)	Albyn				4	
Golspie, Drummie (SSE)	Albyn				4	
Sub-total			29	13	46	59

1.6%

Overall totals

	824	2877	3701
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3701

Average of 740 per year

Key:

THC = The Highland Council

CHT = Communities Housing Trust

LSHA = Lochalsh and Skye Housing Association

HHA = Highland Housing Alliance

PfP = Places for People