

Agenda Item	12.
Report No	CPPB/14/26



Highland
Community
Planning
Partnership

Com-pàirteachas
Dealbhadh
Coimhearsnachd

na Gàidhealtachd

Highland Community Planning Partnership Board – 12 June 2026

HOIP Delivery Plan Progress Report – Housing - Highland Housing Challenge - Update

Report by – Alison Clark, Chief Officer – Housing and Communities, Highland Council

Report Classification (tick as appropriate):

Strategic Priority: People Place Prosperity

Cross-Cutting Theme (tick all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Connecting People and Places | <input type="checkbox"/> Employment / Employability |
| <input type="checkbox"/> Whole Family and Community-Based Approaches | <input checked="" type="checkbox"/> Housing |
| <input type="checkbox"/> Shared Approaches to Commissioning | <input type="checkbox"/> Community Wealth Building |
| <input type="checkbox"/> Aligning Partnership Practices | |

Report Purpose (tick as appropriate):

For Noting For Approval For Decision

Recommendation(s)

The Board is asked to:

- Consider and note the updates against the Highland Housing Challenge Partnership Action Plan contained within the report and detailed at appendix 1.

Executive Summary

The Highland Housing Challenge was declared in June 2024, in recognition of the issues facing communities across Highland in meeting current and anticipated future demand for housing in the area. The Housing Challenge was based on an emerging picture of future demand, relating to planned economic development activity, alongside existing demand from communities across Highland.

Housing is one of the cross cutting themes within the Highland Outcome Improvement Plan Delivery Plan. A Highland Housing Challenge Partnership Action Plan was agreed

in June 2025, reflecting key areas of activity, outlining targets and timescales and commitments for action across three key thematic areas:

- increasing land and property;
- increasing finance for housing development; and
- increasing developer capacity

Since declaring the Challenge, considerable progress has been made to bring forward planning to accelerate the activities required to meet the challenge. There has been a collaborative approach between the public, private and third sector partners both locally and nationally, including support and action from national investors, Government, developers and contractors.

Ensuring there is an effective supply of housing across all tenures is essential for the delivery of core services, enabling economic growth and to address the needs, health and wellbeing of our local communities. The solutions for addressing the Housing Challenge are complex and interdependent. No one area of work or sector is able to deliver this in isolation. This is reflected in the actions outlined in the Highland Housing Challenge Partnership Action Plan and this report provides an update on progress against these areas of work.

1. Background

1.1 In June 2024, the Council agreed a Highland Housing Challenge (HHC) 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.

1.2 The solutions to addressing the Housing Challenge are complex and interdependent. No one area of work or sector is able to deliver this in isolation. It has been identified that actions are required across three critical areas:

- Increasing land and property – housing cannot develop without a sufficient pipeline of sites and critically sites in the right locations to meet both need and demand. This therefore requires sites across the whole of the Highland area.
- Increasing finance – different sources and models for finance are required beyond the current planned building programme. It needs to maximise funds derived from investment to the area, increasing the affordable housing programme and seek solutions to addressing the additional costs of building in some rural parts of Highland.
- Increasing developer capacity – this includes building confidence within the existing development sector, attracting new partners and types of building to the area and addressing the challenges to build e.g. grid capacity.

Strengthening and growing the construction sector is critical and therefore workforce skills and capacity is a critical area for focus.

- 1.3 In addressing the Highland Housing Challenge, it is essential to have an evidence-based analysis of both existing and emerging housing need. When the Challenge was declared in June 2024, the Housing Supply Target was for 24,235 new houses in the following 10 years. A new Housing Need and Demand Assessment has been commissioned by Highland and work has been ongoing since the last quarter of 2025. This work is almost concluded and is anticipated to be completed by the end of June 2026.

An HNDA estimates the number of additional housing units to meet existing and future housing need and demand in a housing market area. It also captures contextual information on the operation of the housing system to assist partners to develop policies on new housing supply, the management of existing stock and the provision of housing related services.

This contextual information includes an analysis of demographic, affordability and wider economic trends which are key drivers of local housing markets. This analysis helps partners to understand local housing market dynamics and make evidence-based choices on meeting housing need and demand.

- 1.4 The level of demand for social housing in Highland remains high. The number of Highland Housing Register applications was 8,826 at 31 March 2026. This is an increase from 8,767 at 31 March 2025. The demand remains high despite 1,592 allocations of secure tenancies from the Register partner landlords in 2025/26. Homelessness presentations also increased in 2025/26, albeit at a lower rate than the national comparison.

This information will be considered alongside the new HNDA analysis to help shape and inform the new Strategic Housing Investment Plan, Local Development Plan and Local Housing Strategy in identifying where current need and demand lies across Highland and therefore targeting the development programme.

- 1.5 There were 880 house completions across all tenures in Highland in 2025/6. This was down from 1,000 the previous year. The current level of Highland affordable building programme remains positive given the challenges faced in terms of new build costs, availability of suitable land for development and so forth. The Scottish Government has confirmed that there were 499 affordable house completions in 2025/26, and this reflects positive performance in increasing the supply of homes for social renting, mid-market housing and low-cost home ownership.

Accelerating the build programme across all tenures is critical and therefore solutions such as MCAs, along with others related to developer capacity and land availability, as well as repurposing properties and bringing others back into use, are critical in relation to addressing the housing challenge.

2. Highland Housing Challenge Partnership Action Plan – Update

2.1 The HHC Partnership Action Plan was agreed at a meeting of the Highland Council in June 2025, following a seminar attended by both the Deputy First Minister and Housing Minister, key representatives from developers, contractors, Registered Social Landlords, alongside investment partners, public sector partners and national property enablers. The Action Plan reflects the commits on housing detailed within the HOIP. The priorities and actions are set out under three key themes:

- Increasing land and property
- Increasing finance for development
- Increasing developer capacity.

A summary of progress to date is outlined under these headings below with the full action plan updates at May 2026 found at **Appendix 1**.

2.2 Increasing Land and Property

2.2.1 *Creating land capacity*

- **Local Development Plan** – a Call for Development Sites ran between 31 January and 2 May 2025 to coincide with the conclusion of the Evidence Papers public consultation. Over 250 development sites were suggested by landowners, developers and others for officers to consider for inclusion. This provided useful evidence on land availability and development viability.

During the consultation, officers engaged with industry through a combination of several in person meetings as well as virtual sessions to both raise awareness and assist with questions around the process.

The Evidence Report will report to the June meeting of Highland Council and, subject to approval, will progress to Scottish Government Gate Check shortly thereafter. The Housing Evidence chapter is in progress and awaiting completion of the Housing Needs and Demand Assessment that is expected shortly.

To assist in meeting the anticipated demand, all sites will be considered. It is not intended to decide which sites will be included until early to mid-2027 by which time the Proposed Plan is anticipated. Sites included in the Proposed Plan will then be subject to statutory public consultation.

- **Landbank** - the Council has a landbank which will deliver c1800 units over the next 8-10 years. Since the launch of the Highland Housing Challenge, the Council has purchased sites which will deliver approximately 500 homes. This is alongside a further 40 homes purchased from the open market. Officers are actively pursuing further strategic sites for purchase to ensure both a short term and longer-term pipeline for housing delivery. This is supported by a new post of Land Surveyor appointed within in the Housing Development Team.
- **Social Value Charter** - as part of their Social Value Charter commitment on legacy housing, SSE has funded the Council to purchase the site adjacent to the Justice centre on the Longman. The Council will lease this to an SSE contractor (Balfour Beatty) for a period of 5 years, after which the Council will have a serviced site which will deliver a mixed residential and commercial development. This site will deliver a further 200 homes benefitting from the SSE legacy.

2.2.2 *Re-purposing Public Sector Assets*

- **Council and Partner Estate** - Highland officers are reviewing partner estates through the Highland Property Partnership to assess the use of existing assets for either conversion or redevelopment for housing.
- **Highland Investment Plan** - through the Highland Property Partnership and the Highland Investment Plan activity, opportunities are being explored to repurpose surplus assets for housing options. An initial focus is in Thurso, as part of the POD development.

2.2.3 *Property Acquisition*

- **Direct purchases** - the Housing Development Team continue to target the purchase of suitable open market properties in strategic areas to prevent loss to the second home/short term let market and add to the affordable housing stock. There is a particular focus in rural areas.
- **Approach to Empty Homes** - There are currently 2,466 long-term empty properties in Highland. Highland has notably more long-term empty properties than any other local authority in Scotland, with 41% being empty for more than 3 years. Experience nationally is that empty homes are more common in remote and rural parts of Scotland.

As part of the Council's agreed Budget for 2026/27, a £1m recurring investment fund has been created to support bringing long-term empty properties back into use. The aim is to increase the availability of housing in Highland. This will complement the existing mechanisms in place to

tackle the challenge of empty homes in Highland, as identified in the Council's [Empty Homes Strategy and Action Plan \(2025-2028\)](#).

A maximum grant award of £25,000 is available for properties found in urban areas, and £30,000 for rural areas¹. The latter is to reflect the additional costs of repair and refurbishment works in rural Highland.

Anyone applying for a grant must agree to:

- rent the property out for 5 years;
- charge affordable rent at mid-market levels;
- be registered as a landlord before applying, or
- live in the property as their primary residence for 5 years.

The Challenge Fund launched at the end of May. Details of the fund can be found here: [Eligibility and how to apply - Empty Homes Challenge Fund - Highland Council](#)

2.2.4 ***Accelerating Development***

- **Masterplan Consent Areas** - as agreed in the HHC Action Plan, the Council continues to progress three possible Masterplan Consent Areas (MCAs) within Highland. MCAs are a new tool available to local authorities that allow decisions on housing development to be accelerated. This is done by communities, developers and the Council coming together to co-produce a Masterplan for an area. As long as future development is in line with the Masterplan then no planning permission is necessary.

The Council agreed to consult on the principle of three potential MCAs – Essich (Inverness), Ardersier, Embo and engagement took place between January and March 2026, with a combined total of 425 persons attending the different events and generating 495 responses to the consultation by the 31 March 2026.

In May 2026 the Council agreed to progress to the next stage which is the preparation of a draft Masterplan for the three sites. This includes the commissioning of an independent masterplan adviser to assist in the co-authoring of the draft masterplan between the local community, the Council and the developer. The draft masterplan will then be subject to further consultation, before consideration at the appropriate planning committee. It would be for Council to agree to adopt a masterplan or not, with a view to this being completed as soon as practicable.

¹ The definition of urban and rural is based on the Scottish Government's Urban Rural Classification

- 2.2.4 • **Support for Developers in Planning** - the Integrated Housing Service for developers was launched in March 2025. To date nine developers have utilised the service and feedback from those who have utilised the service has been positive. There has been a more general focus on improving relationships with developers and particularly within the Highland Housing Hub (affordable housing) partners. Key issues discussed and resolved relate to transport, layout and drainage/flood risk matter.

2.3 Increasing Finance for Housing Development

2.3.1 *Developing approaches for increasing investment*

- **Non Domestic Rate Strategy** - housing has been identified as one of the two initial investment areas as part of the Inverness and Cromarty Firth Green Freeport's Non-Domestic Rates Strategy. This is likely to have a positive impact in increasing investment for potential housing development within the Highland area. Initial sites and projects have been identified in the immediate ICFGF area which could be part funded or supported through this route.
- **SSEN Legacy Housing** - through the Social Value Charter, legacy housing has been secured through SSEN Transmission as part of their commitment. SSE have committed to delivering 500 legacy homes into Highland, of which 300 will be affordable homes. Initial works contracts have been signed, and a number of works contracts have been submitted to SSE by developers for appraisal and sign off.
- **4-Year Affordable Housing Programme** - the Scottish Government has agreed a 4-year funding programme which will give certainty to the affordable housing sector and the private developers which deliver section 75 housing. This figure amounts to grant of £209.7m over the period, rising from £50.132m in 2026/7 to £54.781m. This equates to c600 affordable homes a year in Highland. The ability to spend this grant will require the Council and RSL partners to increase delivery within their funding capacity as well as looking at alternate ways of funding the delivery of affordable homes.
- **External investment** - the Council has been working with Scottish National Investment Bank to identify ways to attract investors to the Highlands. Work is underway to provide the necessary data using the new Housing Needs Assessment outputs alongside data from employers regarding their specific employee growth plans to give the sector the required confidence in demand for varying types of housing in the Highlands to encourage investment.

2.3.2 **Targeting Accommodation Solutions**

- **Accommodation with Care** - work is progressing to explore the future model of adult social care in Lochaber. The work considers future Adult Social Care requirements for residential and nursing care alongside housing in Fort William for the wider Lochaber area, taking into account current provision. Housing provision will take into account not only the need for accessible and suitable housing to support people to stay in their own homes but also the need for housing for key workers.
- **Key Worker housing** – the Council has agreed to develop a mid-market rent model for Highland Council. The development of a Mid-Market Rent (MMR) delivery model forms a key strand of the Highland Housing Challenge, responding to the increasing difficulty faced by households and key workers who are unable to access social housing but cannot afford open market rents and the lack of private rental properties across many communities in Highland.

Mid-Market Rent is a recognised affordable housing tenure in Scotland. It is an alternative tenure solution for people who may struggle to find affordable private rent homes due to cost or availability and are not in a position to buy their own home. Rent is set lower than market rents but higher than social rents.

A further report will be considered by Council before the end of the calendar year, outlining the final proposed structure, governance arrangements and financial model, with a view to establishing Highland Mid-Market Homes in alignment with the start of the new financial year.

2.4 **Increasing Developer Capacity**

2.4.1 **Increasing certainty for developers**

- **Workforce North and Workforce North Co-Investment Fund** - **Workforce North** is a region-wide mission for the Highlands and Islands, established to address long-term workforce challenges linked to major planned investment. It brings together partners such as Skills Development Scotland, Highlands and Islands Enterprise, the University of the Highlands and Islands, local authorities and industry to support the growth, attraction and retention of skilled workers, particularly in construction, housing and renewable energy. The **Co-investment Fund**, is supported by seed funding from Skills Development Scotland. The fund is intended to support the overall mission by leveraging joint public and private investment in employer-led training, apprenticeships and skills development. While Workforce North is a collective regional initiative, the

Highland Council acts as lead partner and Accountable Body for the Fund. In the context of the Council's Housing Challenge, the Fund has the potential to strengthen developer capacity by supporting construction skills, apprenticeships and supply-chain upskilling, thereby helping the local supply chain increase delivery and address labour constraints across Highland.

- **Developer engagement** - the Council meets regularly with housing developers to support their delivery of housing. This includes regular liaison at the Housing Hub meetings with the Council, RSL and Scottish Government to discuss the programme and support early delivery where possible. Annual affordable housing programmes are shared with contractors and profiling projects to prevent excessive numbers of tenders being issued concurrently. Confidence in the multi-year funding programme from Scottish Government will support building confidence amongst the sector.

2.4.2 ***Building Capacity for Delivery***

- **Build to Rent** – increasing properties across all tenures is a key premise of the HHC. There have been discussions nationally with potential investors to encourage investment in the build to rent market and have invited BTR developer to the Highlands for detailed discussions on identified sites. A study has been commissioned through Hub North to evidence the demand for the build to rent market around Inverness with a view to building confidence with investors and developers. This is ongoing and will be concluded by June, once the revised HNDA figures are available.
- **Supporting remote rural delivery** - the delivery of remote rural projects is a strategic priority however they bring the challenges of costs and risk to community groups. The Council is working alongside the Communities Housing Trust to facilitate 2 projects with the Council as owner and funder but with the aim to lease these units back to the Trust to fulfil the objectives of the communities where the homes will be located. This trial will give the Council the opportunity to assess this funding model and the community outcomes to inform the future approach to rural delivery.

3. Risks and Mitigations

3.1 Addressing the Housing Challenge in Highland is critical to meeting the level of housing need and demand across the area. An increase in housing across all tenures is required to address this demand, to both support existing communities and economic growth. From an affordable housing perspective, it is critical to deliver on growth to prevent homelessness, support measures to reduce levels of poverty intrinsically linked to housing and deliver on housing to retain people within their communities, sustain service provision and prevent

depopulation. Failure to increase housing supply to meet the demand as a result of economic opportunities has a two-fold risk, one to limit the scope of that growth and two, putting pressure on the existing housing market, inflating prices and exacerbating the current challenge.

- 3.2 There is no one solution to this Challenge and nor is it deliverable by one agency or sector alone. The HHC Partnership Action Plan, sets out a range of activity to support and mitigate this challenge.

Impact Assessment

The HHC action plan is intended to enable and support house building across the area. There are specific actions to assist in growing the affordable housing programme, which should have a positive impact upon those seeking homes and therefore a positive impact on age (children) and also potentially on gender (women), as break-up is one of the top reasons for homelessness in Highland and women are more likely impacted than men.

There is a specific action related to exploring accommodation solutions as part of the Lochaber Care Model Redesign. This is likely to have a positive impact on those receiving care but wishing to remain in their own home or community - age (older people) and disability.

It is anticipated the action plan should have a positive socio-economic impact. The aim is to increase house building across all tenures in Highland, creating more homes for those that are resident here, but also delivering homes to attract and realise investment opportunities which in turn will create employment opportunities.

There is a specific focus on delivering homes across all areas of Highland but recognises the challenges of building in rural areas and therefore a specific focus on creating a developer toolkit for building in rural areas and looking at finance models for supporting building in high-cost rural areas.

Overall, the action plan aims to increase housing availability across all tenures and specifically in types that are currently under-represented at present e.g. mid-market rent and buy to rent, which should have a positive socio-economic impact.

The action plan aims to increase the availability of housing across all tenures and therefore should specifically have a positive impact on the right to a private and family life, home and correspondence and the right to peaceful enjoyment of property.

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Appendix 1: Highland Housing Challenge Update – May 2026

Highland Housing Challenge Partnership Action Plan Update May 2026

Increasing Finance for Housing Development

Priority: Developing approaches for increase investment			
Contribution to Challenge	Actions	Update	Timescale
1. Use of Non-domestic rates concession	<ul style="list-style-type: none"> Secure agreement of the IGCFGP Company to leverage NDR and develop a fiscal model 	Strategy considered and agreed with housing identified as one of two initial priorities.	By March 2026
	<ul style="list-style-type: none"> Work with housing developers to bring forward projects that can be part-funded or supported 	Initial sites have been identified in Alness, Invergordon and East Inverness.	Dependent on NDR funds becoming available
2. Implementation of Strategic Investment Vehicle for Social Value Charter	<ul style="list-style-type: none"> Development of a commercial model to manage delivery and risk of legacy housing 	<p>SSEN – model has been agreed between SSEN and developers. 500 legacy homes, with 300 of those affordable.</p> <p>Negotiation on delivery of SSEN legacy housing proceeding well with draft heads of terms issued to all three developers of the legacy housing.</p>	<p>Complete</p> <p>Revised date - August 2026</p>
	<ul style="list-style-type: none"> Publish Strategic Investment Plan prospectus of developments linked to this fund 	Work continue on the development of the priorities to support the Strategic Fund, with housing identified as a key priority.	May 2026
	<ul style="list-style-type: none"> Create the investment vehicle and its appropriate governance within the CPP and including community and 	External legal and financial advice for the investment vehicle for the Social Value Charter Strategic Fund is in place and will be	May 2026

	industry representatives	reported to E&I Committee in May 2026	
3. Building a Guarantor Model	<ul style="list-style-type: none"> In collaboration with Scottish Government, develop a guarantor model to allow an element of underwriting to developments – subject to legislative duties. 	Rationale for guarantor model raised with Scottish Government. Currently under consideration. Scottish Government are taking legal advice. This will be raised with the new Minister for Housing following the Scottish Parliament election.	Ongoing
4. Developing New Investment Models	<ul style="list-style-type: none"> Establish a Joint Venture funding model with private sector partners, supported by the Scottish National Investment Bank with a core purpose to enable house building for mixed tenure, including mid-market rent, to enable a return on investment to repay up-front costs. 	Ongoing negotiations between SNIB and the Council and potential investors including developers and Pension Fund to create joint ventures. This is being supported by building evidence of demand, using data from the new Housing Needs Assessment outputs alongside data from employers regarding their specific employee growth plans, to give the sector the required confidence in demand for varying types of housing in the Highlands.	August 2026
5. Strategic Use of the Housing Revenue Account	<ul style="list-style-type: none"> Targeted investment in social housing through investment of HRA as part of long term Financial Strategy 	Financial Strategy for the HRA agreed in Jan. One of core principles to support investment in social housing to address demand. Revised SHIP and HNDA to support articulating where investment is required. Additional investment dependent on decisions taken during annual rent setting.	Ongoing

Priority: Targeting Accommodation Solutions

Contribution to Challenge	Actions	Update	Timescale
<p>6. Accommodation with Care</p>	<ul style="list-style-type: none"> As part of Lochaber Care Model redesign, explore accommodation solutions to support people to remain in their own homes and/or communities 	<p>A masterplan for the Blar Mhor site in Fort William is being developed, supported by Hub North. The work considers future Adult Social Care requirements for residential and nursing care alongside housing in Fort William for the wider Lochaber area, taking into account current provision. Housing provision will take into account not only the need for accessible and suitable housing to support people to stay in their own homes but also the need for housing for key workers. A community liaison group has been established to support the process.</p>	<p>October 2026</p>
<p>7. Developing Key Worker Housing</p>	<ul style="list-style-type: none"> Council to develop a vehicle for delivering mid-market rent housing 	<p>Work progressing to develop mid-market rent model for Highland. Partnership established with Scottish Future's Trust, ALEO to be established, work on developing the operating model proceeding along with undertaking legal due diligence and financial modelling to assess funding and investment options for implementation. Report to Committee before end of calendar year to agree the final structure, with implementation in April 2027.</p>	<p>December 2026</p>
<p>8. New - Empty Homes</p>	<ul style="list-style-type: none"> Establish Empty Homes Challenge Fund 	<p>Fund eligibility, criteria and policy agreed by Council in May 2026, with grant Scheme</p>	<p>May 2026</p>

		operational by end May 2026. Review of initial operation to Housing and Property in November 2026.	November 2026
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Priority: Historic Debt Write Off

Contribution to Challenge	Actions	Update	Timescale
9. Historic Debt Write Off	<ul style="list-style-type: none"> Seek support of UK government and Scottish government for the write off of this historic debt, for the purpose of allowing further investment in housing through direct spend. 	The Council continues to raise the issue of historic debt with UK and Scottish Governments.	Ongoing

Priority: Funding for Rural Housing

Contribution to Challenge	Actions	Update	Timescale
10. Creating a funding vehicle for rural housing	<ul style="list-style-type: none"> Develop test models in west and north Highlands to deliver high cost rural housing projects. 	The Council is working alongside the Communities Housing Trust to facilitate 2 projects with the Council as owner and funder but with the aim to lease these units back to the Trust to fulfil the objectives of the communities where the homes will be located. This trial will give the Council the opportunity to assess this funding model and the community outcomes to inform the future approach to rural delivery.	Revised date - March 2027

Priority: Accelerating Development

Contribution to Challenge	Actions	Update	Timescale
<p>11. Developing Masterplan Consent Areas</p>	<ul style="list-style-type: none"> Highland Council will establish 3 masterplan consent areas to streamline planning processes. 	<p>Governance and process for progressing masterplan consent areas agreed E&I in May 2025. At Nov E&I Committee three preferred sites - at Essich Road, Embo and Ardersier – agreed to progress to next stage. A 4th site to be identified for the west coast. Public events held for each site with a combined total of 425 persons attending. 495 responses received by 31 March 2026 deadline. Agreed in May 2026 to progress to next stage, Proposed Masterplan Consent Area Schemes, for each of the 3 MCA sites, with reductions and amendments based on the feedback received.</p>	<p>May 2026 – agreement to proceed.</p> <p>Timeline for completing, TBC</p>
<p>12. Improve the Pre-development Service</p>	<ul style="list-style-type: none"> Highland Council will develop an Integrated Housing Service for developers to ensure that programmes and projects can be accelerated. 	<p>Service launched in March 2025. To date nine developers have utilised the service and feedback from those who have utilised the service has been positive. There has been a more general focus on improving relationships with developers and particularly with Housing Hub (affordable housing) partners. Key issues discussed and resolved relate to transport, layout and drainage/flood risk matter.</p>	<p>Ongoing</p>

	<ul style="list-style-type: none"> Review and simplify the Roads Construction Consent Process 	The review has commenced and will be completed and implemented during 2026/27.	March 2027
	<ul style="list-style-type: none"> Introduce a webinar series – <i>what makes a good submission</i> 	This is currently under development.	June 2026

Priority: Creating more land capacity

Contribution to Challenge	Actions	Update	Timescale
13. Identify new housing sites	<ul style="list-style-type: none"> As part of the Highland Local Development Plan, identify new housing sites through a call for sites 	Call for sites complete in April 2025 and reported in May 2025. 250 sites were suggested by landowners, developers and others. An update on the HLDP was considered at February E&I, with the evidence report due at Council in June for submission to Scottish Government. All sites submitted will be considered, with a decision on which sites are included set for mid-2027, followed by public consultation.	Completed June 2026 Mid - 2027
	<ul style="list-style-type: none"> Undertake a new Housing Need Demand Assessment 	Work on the new HNDA is almost complete, with population projection figures awaited from National Records of Scotland. A revised completion date of June 2026 is expected. Specific engagement has taken place with business and health stakeholders alongside a community survey to understand current housing need	Revised date - June 2026

	<ul style="list-style-type: none"> New - Land and property purchase 	<p>The Council has a landbank which will deliver c1800 units over the next 8-10 years. Since the launch of the Highland Housing Challenge, the Council has purchased sites which will deliver approximately 500 homes. This is alongside a further 40 homes purchased from the open market. Officers are actively pursuing further strategic sites for purchase to ensure both a short term and longer-term pipeline for housing delivery. This is supported by a new post of Land Surveyor appointed within in the Housing Development Team.</p>	Ongoing
14. Repurposing public sector assets	<ul style="list-style-type: none"> Undertake a land audit to identify potential sites to bring forward 	<p>This is a priority in the Highland Property Partnership work programme for 2026/27</p>	October 2026
	<ul style="list-style-type: none"> As part of a single public sector estate, release surplus buildings, either for direct use for housing or creating capital for future investment. 	<p>Highland Officers are reviewing the Council estate to assess the use of existing assets for either conversion or redevelopment for housing under the ROAB remit Through the Highland Property Partnership and the Highland Investment Plan activity, opportunities are being explored to repurpose surplus assets for housing options. An initial focus is in Thurso as part of the POD development.</p>	December 2026
15. Rural Development	<ul style="list-style-type: none"> Deliver a small rural development toolkit 	<p>Through the Regional Economic Partnership, work progressing on developing a toolkit to support small rural developments</p>	Revised date - August 2026

Priority: Encouraging Development through Legislation			
Contribution to Challenge	Actions	Update	Timescale
16. Existing Developers to Commit to Projects	<ul style="list-style-type: none"> Sites to be de-allocated should development not commence within the lifetime of the LDP 	This will be considered on a case by case basis through the planning team.	Ongoing
17. Utilising Compulsory Purchase and Sales Orders	<ul style="list-style-type: none"> Deliver sites where owners unwilling to sell 	<p>Council responded to the Scottish Government's consultation on reform of Compulsory Purchase Orders, the aim of which is to make the system more streamlined, fairer and deliver new homes.</p> <p>CPOs to be used on a case by case basis where an assessment is made it is viable to do so.</p>	<p>Completed</p> <p>Ongoing</p>

Increasing Developer Capacity

Priority: Increasing certainty for developers			
Contribution to Challenge	Actions	Update	Timescale
18. Increase construction sector capacity	<ul style="list-style-type: none"> Delivery of the Regional Skills Workforce action plan 	<p>Action Plan is being progressed through Workforce North partnership between HIE, SDS, UHI, LAs and industry.</p> <p>Workforce North Co-Investment Fund agreed in March 2026, supported by seed funding from SDS. The fund is intended to support the overall mission by leveraging joint public and private investment in employer-led training, apprenticeships and skills development.</p>	Ongoing

19. Engagement and Involvement with Developers	<ul style="list-style-type: none"> Deliver a pipeline of projects 	A full review of the Strategic Housing Investment Plan will be undertaken during 2026, to reflect the updated HNDA. This provides an opportunity for Council and RSL partners to review procurement methods to give a more consistent programme of work to contractors.	December 2026
	<ul style="list-style-type: none"> Working with developers 	The Council is meeting regularly with housing developers, including regular liaison at the Housing Hub meetings with the Council, RSL and Scottish Government to discuss the programme and support early delivery where possible. Annual affordable housing programmes are shared with contractors and profiling projects to prevent excessive numbers of tenders being issued concurrently. The multi-year funding programme from Scottish Government will support building confidence amongst the sector.	Ongoing
20. Multi-year affordable housing funding	<ul style="list-style-type: none"> Work with Scottish Government to establish multi-year funding programme for affordable house building. 	A 4-year funding programme now agreed. Commitment of £209.7m over the period, rising from £50.132m in 2026/7 to £54.781m. This equates to c600 affordable homes a year in Highland.	Completed
21. Create a funding vehicle for rural housing	<ul style="list-style-type: none"> Develop test models in west and north Highlands to deliver high-cost rural housing projects. 	The Council is working alongside the Communities Housing Trust to facilitate 2 projects with the Council as owner and funder but with the aim to lease these units back to the Trust to fulfil the objectives of the communities where the homes will be located. This trial will give the Council the opportunity to assess this funding model and the community outcomes to inform the future approach to rural delivery.	Revised date – March 2027

Priority: Building Capacity for Delivery in Highland

Contribution to Challenge	Actions	Update	Timescale
22. Identifying and Securing More Affordable Housing Partners	<ul style="list-style-type: none"> Work to encourage new housing providers to deliver in Highland 	Work is ongoing to liaise with, and encourage, potential new affordable housing developers. 2 new affordable housing developers are currently carrying out feasibilities on identified sites .	Ongoing
23. Build to rent	<ul style="list-style-type: none"> Work with Scottish Government and build to rent investors to open up opportunities in the Highlands and 	<p>The Council has taken part in national discussions with potential investors to encourage investment in the build to rent market and have invited BTR developer to the Highlands for detailed discussions on identified sites</p> <p>A study has been commissioned through Hub North to evidence the demand for the build to rent market around Inverness with a view to building confidence with investors and developers. This is ongoing and will be concluded by June, once the revised HNDA figures are available.</p>	<p>Ongoing</p> <p>June 2026</p>
	<ul style="list-style-type: none"> Explore with Scottish Government opportunities to exempt mid-market rent/build to rent from proposed rent controls 	The Housing (Scotland) Act 2025 has exempted mid market and build to rent from rent controls.	Complete
24. Developing a Highland's Manufacturing Hub	<ul style="list-style-type: none"> Identify a site for a manufacturing Hub in Highland 	Work is continuing with HIE and BEST to determine the viability of this proposal.	Ongoing
	<ul style="list-style-type: none"> Taking a pilot approach, support a local modular contractor to develop a delivery model for rural housing 	Work continues with a local contractor and developer to develop a model that can be used in rural areas in Highland A site has been identified and a funding model is being developed.	June 2026

Priority: Overcoming barriers to development			
25. Addressing Grid Capacity	<ul style="list-style-type: none"> Working with Scottish Government, SSE and Ofgem, identify solutions to current grid capacity issues 	Immediate issues resolved. Meetings held SSE distribution which have enabled the release of constrained sites in Inverness. Ongoing discussion to open up prioritised medium and long term sites.	Ongoing
26. Reviewing Standards	<ul style="list-style-type: none"> Review the Council's affordable housing standards (Firm Foundations) 	Standards were reviewed with partners and have been updated.	Complete
	<ul style="list-style-type: none"> Make representations to the Scottish Government on the implications of proposed standards within the Housing Bill. 	Complete – no new standards applied within the Bill.	Complete
	<ul style="list-style-type: none"> Work with Scottish Government to address existing standards inhibiting development to consider potential solutions or alternatives 	Ongoing discussions with Scottish government for greater flexibility particularly in very rural areas	Ongoing