



**Shetland Islands Council**

**Strategic Housing Investment Plan**

**2011/12**

# **Shetland Islands Council – Strategic Housing Investment Plan (SHIP)**

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## **1.0 Introduction**

- 1.1 Strategic Housing Investment Plans (SHIP) were first introduced by the Scottish Government in 2007. The SHIP is intended to be a statement of the investment and resources required to deliver on the Local Housing Strategy. The SHIP is intended to look across Shetland and to show how resources would be applied and prioritised in delivering housing.
- 1.2 The deadline for submission of the SHIP is 30th November 2010.
- 1.3 The Local Housing Strategy is in the process of being updated and so it is difficult for the link to be made as the previous Local Housing Strategy is now out of date.
- 1.4 The Housing Need and Demand Assessment (HNDA) which is the key document for the production of the new LHS and Local Development Plan has been approved as ‘robust and credible’ by the Scottish Government and will form the evidence base for the LHS and will be drawn on to shape this SHIP.
- 1.5 There is current uncertainty over levels of future Affordable Housing Programme (AHIP) funding which means that the SHIP cannot look with certainty to the future at this stage.

## **2.0 Methodology**

- 2.1 The SHIP has been developed through a partnership approach between the Council’s Housing Service, Planning Service and the Hjaltsland Housing Association. Progress on the SHIP has been reported to the Housing Strategies Steering Group, the multi-agency group responsible for overseeing the implementation of the Local Housing Strategy (LHS).
- 2.2 The SHIP has adopted the Local Service Delivery areas which were agreed by the Community Planning Board partners in 2004. This fits with the area basis planned for the new Local Development Plan. The Local Service Delivery areas are areas which have an identifiable significant population, in the context of Shetland, based on existing communities with key service delivery hubs e.g. schools, health centres, community work services etc. These areas are also broadly in line with the Council’s multi-member ward areas.

- 2.3 Although these areas differ from the LHS housing market areas, which reflect Community Council areas, these can be aggregated upwards to form the service delivery area equivalents. Exact aggregation is not possible due to geographic boundaries in two particular areas.

### **3.0 Strategic Links**

- 3.1 The strategic framework for the production of this document is based on the Local Housing Strategy (LHS).
- 3.2 The LHS is a key multi-agency, strategic document and in this context the relevant strategic links are to the Community Plan, the Single Outcome Agreement, the Corporate Plan, the Homelessness Strategy, the Standard Delivery Plans (SHQS) for both the Council and HHA and the Local Development Plan. The SHIP is effectively the resources annex to the LHS.

### **4.0 Aims of the Local Housing Strategy (LHS)**

- 4.1 As stated in the introduction the Local Housing Strategy is currently being revised and updated. Key aspects of the new Local Housing Strategy in relation to the SHIP will be the development of housing supply targets for Shetland and the prioritisation of resources available. The new LHS is likely to be submitted to the Scottish Government in June 2011.

### **5.0 Community Planning Priorities**

- 5.1 Underpinning the aims of the LHS is the Community Planning Partnership and their overarching aim of maintaining an economically active population in Shetland. Provision of housing is a vital contribution to achieve that aim.

### **6.0 Single Outcome Agreement**

- 6.1 The Shetland Community Planning Partnership signed up to the Single Outcome Agreement (SOA) formally in August 2008. In relation to Housing the SOA has the following Strategic Outcome under its 'Stronger' section.

**St.2** We will ensure the right house is available in the right place at the right price.

Housing also has a role to play in several other strands of the SOA, reinforcing the extent of partnership working and the breadth of services provided by the Housing service.

**Hth.3** We will support and protect the most vulnerable members of the community, promoting independence and ensuring services are targeted at those that are most in need.

**F.1** We have reduced levels and the impact of poverty, deprivation and social exclusion in Shetland.

**F.2** Socio-economic disadvantage does not impact on the opportunities people have.

## **7.0 Key Issues Identified in the Preparation of the SHIP**

- 7.1 Through the preparation of the SHIP, it is clear that the current demand for housing cannot be met with the existing resources allocated.
- 7.2 Reductions in Government funding to HHA development programme means that the Association cannot achieve the number of units originally planned.
- 7.3 The Council welcomed the introduction of funding for local authority new build programme from the Scottish Government and the proposals for delivery of that programme within the approved funding are contained in the SHIP. The Council is investigating through the development of its LHS how it can help to stimulate future housing supply through a number of incentives and initiatives.
- 7.4 The implications of the changes introduced to the funding assumptions to the Housing Association Grant system means that HHA will struggle to fund developments in the remote rural areas. This is not only at odds with the aims of the LHS but is also out of step with Community Plan themes around sustaining confident and thriving communities across Shetland. The SHIP template clearly demonstrates that under the current financial regime it is proving virtually impossible to meet demand in the peripheral rural and island communities. The economies of scale required to make the developments financially viable are not achievable without a detrimental impact on HHA and the affordability of its rents.

- 7.5 Demand for housing in Shetland continues to outstrip supply. The HNDA will provide the evidence to enable the housing supply targets to be set through the LHS. Initial indications show that up to 365 affordable houses will be needed over the 5 year period, Shetland-wide.
- 7.6 Numbers of homeless presentations are increasing and the Housing Waiting list is currently sitting at over 1000 applications. The 2012 legislative target for Homelessness presents Shetland with a number of housing challenges in ensuring that all homeless households are entitled to settled accommodation. The main challenge being supply of social rented affordable housing to meet the demand. The moves by the Government to encourage local authorities to make more use of the private sector in providing solutions to supply issues is of limited value locally due to the size of the local private sector market and the role it is already fulfilling in provision of housing.

## **8.0 Strategic Environmental Assessment**

- 8.1 All plans, policies and strategies of public bodies are required to have a Strategic Environmental Assessment (SEA) done under the Environmental (Scotland) Act 2005.
- 8.2 Following advice from appointed consultants on this subject, the Council will seek to address the SEA requirement of the SHIP through an assessment on the new LHS as the prime document, with the SHIP being the resources annex to the LHS.

## **9.0 Priorities and Partnership Working**

- 9.1 The Council and HHA continue to work jointly to address the relentless challenges of meeting housing demand in Shetland.
- 9.2 The Council continues to provide its rolling interest-free loan facility to the Association to enable it to front-fund its development programme. This has enabled HHA to continue with its development programme.
- 9.3 The Council's strategic housing priorities will be fully developed on completion of the new LHS.

## **10.0 Equalities**

- 10.1 The Council is committed to ensuring that equal opportunities are central to all its strategies and service provision. Much work has been done on ensuring access to a range of quality housing information is available to anyone in the community and beyond.
- 10.2 All new build properties are built to building regulation standards and incorporate level-access.
- 10.3 Needs of particular groups are assessed with partner agencies input and will be revisited during the preparation of the new LHS, for example, there has been a specific sub-group looking at the future housing requirements for the projected ageing population, working with colleagues in Social Work, NHS Shetland and the Voluntary Sector.
- 10.4 The Council will undertake a full Equalities Impact Assessment on the LHS as it did with the previous version.

## **11.0 Conclusions**

- 11.1 As stated in last year's SHIP document, it is felt by partners involved in the SHIP production to be too early to commit this to being a five-year plan document and that a full review of the SHIP will be carried out once the LHS is completed.
- 11.2 The Council is committed to increasing the supply of affordable housing for rent and low cost home ownership across Shetland. With only one housing association in Shetland, the Council is committed to working in partnership with HHA to ensure that investment in housing in Shetland is maximised.
- 11.3 Through the preparation of the SHIP, it has become very clear that the currently anticipated resources cannot meet the levels of demand evidenced in the HNDA. Through the development of the LHS, the Housing Service and its strategic partners will be looking at a range of housing solutions to try to address the housing need in Shetland.

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