



Meeting(s):	Development Committee	26 November 2025
Report Title:	Strategic Housing Investment Plan (SHIP) 2026 - 2031	
Reference Number:	DV-40-25-F	
Author / Job Title:	Anita M Jamieson, Executive Manager - Housing	

1.0 Decisions / Action Required:
<p>1.1 That the Development Committee:</p> <p>1.1.1 APPROVES the Strategic Housing Investment Plan (SHIP) 2026/27 – 2030/31 as set out in Appendix 1 (a) and (b) for submission to Scottish Government.</p> <p>1.1.2 GRANTS delegated authority to the Director of Development Services (or his nominee) to assign projects within the SHIP to meet programme variations eg to pull forward an approved project or project phase from later years if additional funding becomes available, subject to all other necessary approvals being in place.</p> <p>1.1.3 NOTES that delivery of the programme is subject to separate approval of individual project details and resources by the developing body. In the case where the Council is the developer, all appropriate approvals and authorisations are required to be in place before a project can proceed.</p>
2.0 High Level Summary:
<p>2.1 The SHIP is the key document to show how resources would be applied and prioritised in delivering the outcomes contained in the Local Housing Strategy, in line with Scottish Government guidance.</p> <p>2.2 The SHIP looks ahead over a five year time period and is reviewed and reported annually.</p> <p>2.3 There are identified constraints and challenges described in this report. Subject to those constraints being mitigated, this plan looks to deliver up to 209 affordable homes over the period of this SHIP (2026-2031). Those homes will be a combination of affordable rent through new build, mid-market rent, major refurbishment and open market acquisition.</p>

3.0 Corporate Priorities and Joint Working:	
3.1	The key priority themes of the Local Housing Strategy are reflected in the Shetland Partnership Plan and increasing supply of housing is a key priority in the Corporate Plan 'Our Ambition'.
3.2	The SHIP is developed and delivered through a partnership approach involving Housing, Planning, Community Planning and Development, Asset, Commissioning and Procurement and Roads Services of the Council together with Hjalmland Housing Association and Health and Social Care.
4.0 Key Issues:	
4.1	The SHIP continues to identify the delivery of new housing supply in line with the Local Housing Strategy to meet the identified housing need and demand in Shetland.
4.2	This plan looks to deliver 209 units of accommodation across Shetland over the next 5 years, and seeking support of £25M of Scottish Government funding. This is a lower average number of completions than the overall Housing Supply Target and reflects the current challenges of available local resources and rising construction costs.
4.3	The constraints and challenges of delivery are set out in Appendix 1(a) In addition to the financial support, the successful delivery of the SHIP will be subject to a number of caveats around contractor capacity and availability, materials, supply chain issues and the general increase in development costs.
4.4	During 2024 the Council and HHA have jointly hosted workshops and developed communications with the industry to build a shared understanding of future work programmes, potential constraints and solutions. It is proposed to maintain this dialogue moving forward.
4.5	The annual review of the SHIP allows for revisions to be made to reflect changes to projects and the operating environment.
5.0 Exempt and/or Confidential Information:	
5.1	None.
6.0 Implications:	
6.1 Service Users, Patients and Communities:	The Local Housing Strategy (LHS) identifies housing needs across all tenures, based on the evidence from the Housing Need and Demand Assessment (HNDA), and was the subject of extensive community consultation. The SHIP is the delivery statement for the LHS and access to the Scottish Government's Affordable Housing Supply Programme (AHSP).
6.2 Human Resources and Organisational Development:	None arising directly from this report.

6.3 Equality, Diversity and Human Rights:	The Local Housing Strategy has had a full integrated equalities impact assessment carried out.
6.4 Legal:	The local authority is the statutory enabling body for identifying housing needs in the area through the provisions of the Housing (Scotland) Act 2001.
6.5 Finance:	<p>The Scottish Government hold and manage the budget for housing supply centrally and distribute funds at a local authority level. Indicative minimum resource planning assumptions have been issued in line with period of the SHIP.</p> <p>New-build housing delivery is currently operating in an uncertain financial climate with increasing costs straining the value for money tests on development costs.</p> <p>There are no direct financial implications for the Council in approving the SHIP. The SHIP sets out potential opportunities and details the level of Scottish Government resources available to fund affordable housing supply.</p> <p>Delivery of the programme is subject to separate approval of individual project details and resources by the developing body. In the case where the Council is the developer, all appropriate approvals and authorisations are required to be in place before a project can proceed.</p>
6.6 Assets and Property:	None arising directly from this report.
6.7 ICT and New Technologies:	None.
6.8 Environmental:	None – the LHS was exempt from Strategic Environmental Assessment.
6.9 Risk Management:	<p>The SHIP seeks to put in place a deliverable programme of affordable housing development within the context of existing local and strategic priorities and resources available. The delegated authority sought allows a degree of flexibility to make limited changes to the programme to maximise external resources.</p> <p>There are current risks to the successful delivery of the programme due to the economic and financial implications as set out in 4.4, and in more detail in Appendix 1 a). These will be regularly monitored with partners including the Scottish Government’s More Homes division.</p>
6.10 Policy and Delegated Authority:	In accordance with Section 2.3.1 of the Council’s Scheme of Administration and Delegations, the Development Committee has delegated authority to take decisions in relation to those functions within its remit which includes Housing.

6.11 Previously Considered by:	n/a	
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Date Cleared: 13 November 2025

Appendices:

Appendix 1 (a) and (b) – Strategic Housing Investment Plan – 2026/27 – 2030/31 (Text and Tables)

Background Documents:

Links to the LHS Integrated Impact Assessments

[lhs-integrated-impact-assessments](#)

[lhs-island-communities-impact-assessment](#)