

Moray Council



Strategic Housing Investment Plan 2017 - 2022

30 November 2016

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1. Introduction

- 1.1 Moray Council's Strategic Housing Investment Plan (SHIP) has been prepared in accordance with the revised guidance issued by the Scottish Government in July 2016.
- 1.2 Moray Council has submitted SHIPs to the Scottish Government since 2008. In producing this SHIP, the Council welcomes the opportunity to develop a programme of affordable housing supply to meet the housing outcomes identified in the Moray Local Housing Strategy (LHS).
- 1.3 Providing more affordable houses in Moray is a key priority of Moray 2026, A Plan for the Future, which replaced the Single Outcome Agreement as the key strategic planning document of the Council and its partners. This priority is reflected in the LHS (2013-18).
- 1.4 In summary, the SHIP:-
 - sets out the Council's key investment priorities for affordable housing to achieve LHS outcomes
 - demonstrates how these outcomes will be delivered
 - identifies the resources required to deliver the investment priorities, including Scottish Government funding, Council Tax on Second/Empty Homes and commuted sums collected under local affordable housing planning policies
 - demonstrates how development constraints will be resolved to enable projects to be delivered on programme
 - demonstrates that projects will maximise opportunities for energy efficiency and reduction in fuel poverty
 - details of how the process for identifying and funding adaptations is being progressed through Health and Social Care Partnerships
 - enables the involvement of key local stakeholders in the development and implementation of proposals
 - identifies a programme of projects to be included in the Moray Affordable Housing Programme.

2. Moray Local Housing Strategy Priorities

- 2.1 The Council's current LHS covers the period 2013-2018. The overall aim of Moray Council's LHS is:

To ensure that sufficient good quality, affordable housing is available to meet the needs of people living in or requiring housing in Moray.

2.2 By delivering new affordable housing, the SHIP will contribute to the achievement of following LHS outcomes:

Outcome: **there is an adequate supply of affordable housing**
 (Priority 1: to address housing need and improve access to housing)

Outcome: **there is an adequate supply of appropriate housing for people with particular needs, including older people and people with physical and learning disabilities**
 (Priority 3: to assist people with particular housing needs)

Outcome: **people live in energy efficient housing that minimises greenhouse gas emissions**
people live in housing that they can afford to heat
 (Priority 5: to improve the energy efficiency of housing and address fuel poverty and climate change)

3. Addressing Housing Need in Moray

3.1 In meeting housing need in Moray, the SHIP has sought to prioritise investment in line with the housing supply targets set out in the LHS. These targets have been informed by the findings of the Council’s Housing Need and Demand Assessment (HNDA) which estimates that **424** new affordable houses will be required each year for the next 10 years to meet housing need in Moray. The table below provides a summary of housing needs in Moray both in terms of mainstream and specialist housing provision:

| Estimates of net annual housing need by house type | |
|---|--|
| Type of Housing | Net need per year (no of units) |
| Self-contained general needs/ mainstream housing | 322 |
| Amenity/ medium dependency housing (1, 2 or 3 bed) | 32 |
| Sheltered housing/ Very sheltered/ extra care housing | 63 |
| Subtotal | 418 |
| Supported housing for people with learning disabilities | 5 |
| Supported housing for women fleeing domestic abuse | 1 |
| Total | 424 |

Source: Moray Housing Need and Demand Assessment, September 2011

3.2 Within Moray, the HNDA 2011 identifies six Local Housing Market Areas (LHMAs): **Elgin, Forres, Keith, Buckie, Speyside and Cairngorms National Park (CNP)**. Based on the analysis provided by the HNDA 2011, the LHS sets the following housing supply targets for each LHMA:

| | | | |
|-----------|------------------|---------|-------------------|
| Elgin: | 46% of provision | Buckie: | 16% of provision |
| Forres: | 20% of provision | CNP: | 0.1% of provision |
| Speyside: | 9% of provision | Keith: | 8.9% of provision |

The above targets have been used to prioritise the sub-area investment proposals contained in the SHIP, which seeks to target investment in the areas with the highest housing need. On this basis the Elgin HMA would have the highest priority.

- 3.3 In terms of affordable housing tenure, the LHS seeks to prioritise investment in social rented housing. This approach has been informed by the HNDA, which found that housing need in Moray would be best addressed by increasing the supply of social rent.
- 3.4 Whilst the Council aims to deliver mainly social housing, the programme set out in the SHIP also includes proposals for a modest increase in supply of mid-market housing. The HNDA estimates that 142 units of the annual affordable housing need could be met by mid-market rent housing. The LHS considers that this form of tenure could address the housing need of low income households who are not priority for housing by the Council and for whom private rent is not an attractive or affordable option.

4. Assisting People with Particular Needs

- 4.1 Moray Health and Social Care Strategic Plan 2016-2019 sets out how the Integration Joint Board will change the way adult health and social care services are delivered in Moray. A fundamental aim of the strategy is to shift the balance of care for older people away from care home and hospital provision, and towards supporting older people to stay in their own home or in suitable residential accommodation. The Strategic Plan includes a Housing Contribution Statement describing how the local housing sector will help achieve the local and national health and wellbeing outcomes¹. The statement provides a linkage between the affordable investment priorities of the LHS, as set out in the SHIP, and the priorities of the Strategic Plan. As a key joint priority, the statement reaffirms the LHS commitment to utilise the available funding for affordable housing to meet the housing needs of older and disabled people.
- 4.2 The LHS seeks to address the needs of the ageing population in Moray through the provision of appropriately designed, appropriately supported, affordable housing for older and/or vulnerable people using a combination of amenity/ medium dependency housing and very sheltered/ extra care housing.
- 4.3 The LHS also seeks to provide suitably adapted accommodation for people with physical disabilities and with support needs. The Moray Health and Social Care Integration Scheme identified adaptation services as one of the functions that are delegated to the Integration Joint Board from 1 April 2016. As part of the delegation arrangements, the Integrated Joint Board will assume responsibility of the budgets for adaptations, including the monies spent on Council and private sector homes. Final details of the budgetary arrangements have still to be agreed between the Council and the

¹ Moray Health and social care Strategic Plan available at http://www.moray.gov.uk/moray_standard/page_101207.html

Integration Joint Board. However, the funding has been secured from the Integrated Care Fund for a Project Officer to work with Housing and Property to develop and implement the approach to delivering adaptations under the new governance arrangements, including the funding arrangements.

- 4.4 All housing delivered by the SHIP would be expected to be accessible and comply with Housing for Varying Needs (HfVN) standards.

5. Energy Efficiency, Fuel Poverty and Climate Change

- 5.1 In delivering projects included in the SHIP, the Council expects that affordable housing providers will contribute to the LHS's Fuel Poverty and Climate Change outcomes in relation to delivering energy efficient housing and reducing carbon emissions from housing. The LHS commits the Council to "promoting high standards of energy efficiency and low carbon, sustainable design in the building of new homes in Moray.
- 5.2 To achieve the LHS fuel poverty outcomes, the Council expects that as a minimum all housing delivered by the Moray affordable housing supply programme will be built to the Scottish Government's "greener" standard, achieving "Silver" level, of the Building Regulations in respect of both Carbon Dioxide Emissions and Energy for Space Heating. Going further, the Council encourages local development partners to work together to make the best use of innovative construction methods and emerging technologies to deliver zero carbon housing in Moray.
- 5.3 All housing developers would be expected to maximise the subsidies available to deliver sustainable and energy efficient housing. The SHIP assumes that the higher Scottish Government subsidy rate for greener standards would be required for all projects.

6. Prioritising the Moray Programme

- 6.1 On 10 March 2016, the Scottish Government provided the Council with an indicative 3-year Resource Planning Assumption to inform the development of the SHIP. The resource levels are detailed below:

| | |
|---------|---------|
| 2017/18 | £5.526m |
| 2018/19 | £4.145m |
| 2019/20 | £2.763m |

The Government has confirmed that the resource assumptions are the minimum the Council can expect during the period.

- 6.2 The Council has used the resource planning assumption as the basis for selecting projects for inclusion in the proposed programme set out in the SHIP. In line with the recommendations in the Scottish Government's guidance, the proposed programme includes an allowance for over-programming to ensure delivery in the event of the slippage.

6.3 In prioritising projects for investment, the Council and its partners have taken account of a number of factors, including:-

- *the investment priorities set out in Local Housing Strategy (LHS)*
- *the deliverability of sites in terms of land ownership and planning and infrastructure constraints* – sites that are in the local affordable housing landbank have been prioritised, as have those that are not constrained or where there are firm plans to remove the constraint
- *joint strategic priorities* - priority has been given to sites that support the aims of strategic partners such as the Moray Integration Joint Board
- *the balance of the investment across Local Housing Market Areas* – the programme aims to reflect the sub-area housing supply targets set out in the LHS. Investment would be targeted to the LHMA with the highest need. Elgin would have the highest priority followed by Forres
- *the development plans and capacity of strategic partners* – priority has been given to sites for which partners have firm plans to develop during the life of the SHIP

7. Addressing Programme Delivery Issues

7.1 In developing a programme of investment over the next 5 years, the SHIP has sought to address a number of key challenges that could impact on the delivery of projects. These include:

- the limited resources available to deliver the volume of housing needed in Moray
- the restricted capacity of affordable housing providers to develop in Moray
- the shortage of land for affordable housing in Moray
- major infrastructure constraints affecting key sites

7.2 As part of the More Homes Scotland initiative, the Scottish Government is committed to the delivery of 50,000 new affordable houses in Scotland over the next 5 years. To support this commitment, the Government has introduced a range of initiatives, a number of which have been of particular importance in addressing the issues that impact on the delivery of the SHIP, including:

- the provision of 5 year Resource Planning Assumptions to enable councils to better forward plan their affordable housing programmes
- an increase in the grant subsidy rate for councils and RSLs to stimulate supply
- the establishment a new Housing Infrastructure Fund to provide grants and loans to unlock strategically important housing sites.

7.3 In March 2016, the Council welcomed the additional funding given to the Moray programme. The Resource Planning Assumption of £12.534m for the first 3 years of the SHIP period represents a significant increase on the £10.337m provided for the equivalent period in the previous SHIP. The

Scottish Government has advised that the Resource Planning Assumption is the minimum Moray can expect during the period and that the Council should consider ways of accelerating the programme. But as well as opportunities, the higher resources also present challenges in terms of the capacity the local affordable housing providers to increase the rate of their development activity in Moray.

- 7.4 In recent years, the level of RSL development in Moray has been marginal due to funding issues and the Council has been the main provider of new affordable housing. However, with the support of increased subsidy rates, the SHIP expects that RSLs will be better placed to make a much greater contribution to the Moray programme. The Council will also continue to develop around 50 houses per annum, but the contribution of the RSLs will be a key factor in ensuring that the Moray programme achieves its potential in terms of the number of houses that can be delivered with the available resources. In preparing the SHIP, the Council has consulted the local developing RSLs to determine their investment plans in Moray. The investment proposals set out in the SHIP reflect these plans but the Council will continue to work closely with the RSLs and the local division of More Homes Scotland to address any funding or capacity constraints that could impact on programme delivery.
- 7.5 It is estimated that the Resource Planning Assumption will enable the delivery of around 350 new houses (high priority sites only) over the first 3 years of the programme. This is clearly nowhere near the HNSA estimate of 424 units of new affordable houses required per annum to meet housing need in Moray. Given this supply deficit, the Council is committed to maximising the number of houses that can be delivered using the available resources. In this respect, the SHIP aims to increase the capacity of the programme through the inclusion of an element of intermediate tenure housing which requires lower grant levels than social rent. Proposals are also included in the SHIP for delivery of mid-market rent without subsidy.
- 7.6 Programme capacity will also be improved by the use of additional sources of funding. The Council intends to use monies raised from Council Tax on empty homes as an additional source of programme funding. It is estimated that this contribution will be around £500k per annum. However, the contributions from commuted sums are likely to be negligible because the Council has, over the years, prioritised the onsite provision of affordable housing contributions. As a result, the Council has been unable to accumulate a significant pot of commuted sums and it is likely the pot will remain small for the foreseeable future.
- 7.7 Over a number of years, the Council and its partners have sought to develop an affordable housing landbank as a strategic resource for the Moray programme. A number of sites have been acquired both by the Council and RSL partners and have been developed as part of the programme.

- 7.8 In the current SHIP, the landbank site at Bilbohall South, Elgin is identified as a key priority for investment. The site, owned by Grampian Housing Association, has the capacity to provide up to 100 houses but has been constrained for a number of years by road access issues. The Council owns an adjacent site which also has the capacity to deliver up to 100 houses. To unblock development at Bilbohall South, the Council is working in partnership with Grampian Housing Association and the private developer of other adjacent housing sites to develop a strategic masterplan for Bilbohall South. It is anticipated that the masterplan, informed by the emerging Elgin Transport Strategy, will identify the road interventions required to enable housing to be delivered across the various sites at Bilbohall South. The SHIP has included provision for support from the Infrastructure Fund for funding for the masterplan as well as the road infrastructure costs at Bilbohall. The SHIP allows for 242 houses to be delivered in phases at Bilbohall. This includes 200 units across the Grampian Housing Association and Council sites as well as affordable housing contributions from the private developer. The infrastructure issues at Bilbohall South, as well as other sites within the SHIP, have been discussed with the Council's planning, transportation and education services as part of the development of a co-ordinated approach to requirements and provision.
- 7.9 To facilitate the forward planning of the programme, the SHIP also identifies a number of advance landbanking opportunities for priority sites, including Bogton in Forres and Findrassie and the former Firs Hospital site, both in Elgin, as well as sites in the Elgin South Long designation.
- 7.10 Landbank opportunities notwithstanding, the major part of the Moray programme will continue to be dependent on the 25% affordable housing contributions required on all housing developments by Council planning policy. It is anticipated that development at two large housing designations in Elgin – Findrassie and Elgin South – will be coming forward during the life of the SHIP. The affordable housing contributions required on both sites will provide significant investment opportunities for the Moray programme and are identified as priority sites within the SHIP. Both the Findrassie and Elgin South designations have been the subject of a masterplanning process in which the Housing service has worked closely with Planning and the developers to agree the affordable housing proposals. A detailed planning application for the first phase of development at Findrassie is expected to be submitted during 2016/17 and this is reflected in the SHIP programme. As a “LONG” designation, planning approval for Elgin South will be dependent on the release of land for development through the housing land audit process.
- 7.11 The Council and its RSL partners will continue to work closely with the developers to ensure that the sites are delivered in line with the programme agreements with the Scottish Government. This approach will apply to all projects in the SHIP that have been secured from affordable housing contributions.

8. Programme Proposals

- 8.1 The Council and its partners have sought to set out a realistic investment programme that achieves LHS outcomes but which also takes account of the delivery challenges detailed in the previous section. The proposals for Years 1 to 3 reflect the profile of the indicative Resource Planning Assumption for that period but also include an over-programming of around 25% as a slippage factor to be utilised in the event of project delays.
- 8.2 In line with the LHS need and demand priorities, the SHIP programme targets highest level of investment at the Elgin Housing Market Area. The key sites forming the spine of the programme are Bilbohall South, Findrassie and Elgin South, which are to be developed in phases during the life of the SHIP. Bilbohall South will deliver 200 houses on sites currently owned by Grampian Housing Association and the Council. The site at Findrassie is the key strategic land designation supporting the expansion of Elgin over the next 20 years. The first phase of the development at Findrassie has an affordable housing contribution of 67 houses and it is anticipated that that the project will commence early in the programme. The affordable housing at Elgin South will be delivered as part of the same development providing a new primary school and the proposed regional sport centre.
- 8.3 The programme also identifies a number of sites in Forres, including the large site at Bogton, which has the potential to deliver up to 80 houses. The programme provides for a mix of social rented and mid-market housing on this site towards the mid to later years of the programme.
- 8.4 Projects in Speyside have also been included but investment opportunities continue to be limited in this area due to the low level of private sector housebuilding activity, presenting few opportunities for affordable housing contributions.
- 8.5 Also included are proposals for the phased development of a large site at Banff Road in Keith, which could deliver up to 90 affordable houses.
- 8.6 Working in partnership with specialist provider, Hanover Housing Association, and Health and Social Care Moray, two developments of extra-care housing for the frail elderly have been included in the programme. These are the projects at Glassgreen in Elgin, which will complete in 2017, and a new development at Hamilton Gardens in Elgin on a site already acquired as part of the affordable housing landbank. As well as extra-care housing, the SHIP responds to the needs of the ageing population by providing a high proportion of amenity bungalows as part of mainstream developments.
- 8.7 The programme for Sunbank/Kinneddar in Lossiemouth reflects the developers phasing of the affordable housing contribution.
- 8.8 Although the LHS seeks to provide housing for people with learning disabilities, the SHIP does not include specific proposals for provision for this client group. Moray Health and Social Care plan to move away from block

purchase care contracts and instead will adopt a “Progression Model” which will utilise a combination of core and cluster models, extra-care housing, self-directed support and assistive technology to meet care needs. The SHIP will support these aims by providing a variety of generic house types which will provide a range of housing options suitable for people with learning disabilities.

- 8.9 To address the Council's fuel poverty and climate change objectives, all projects included in the SHIP will be required to meet “greener” standard with provision made for the higher level of grant for the cost of meeting this standard.

9. Equalities

- 9.1 The Equality Act 2010 replaces the need for public bodies to have separate equalities schemes. The Council's Single Equality Scheme, approved in April 2010, replaced the Council's schemes for race, gender and disability. The scheme covers all equality strands and forms the basis of the Council's approach to prioritising equality and diversity. In preparing the SHIP the Council has sought to ensure that the aims and objectives of the Single Equalities Scheme are achieved. Accordingly, equality and diversity issues have been fully considered as part of the development of the SHIP. Under the Single Equalities Scheme, consultation with equalities groups on the assessment of Council plans and policies is carried out via the Moray Equalities Forum. This group is also responsible for monitoring the impact of plans in achieving equalities objectives.
- 9.2 The SHIP takes account of the available information on the specific housing needs of different communities and households in Moray collected as part of the HNDA. The ethnic minority population in Moray comprises less than 1% of the total population and is significantly lower than the Scottish average. This group is dispersed throughout Moray. The SHIP has not identified specific housing provision in relation to this group.
- 9.3 The investment proposed for the provision of new affordable housing will contribute to alleviating homelessness in Moray and in meeting the needs of low income groups.
- 9.4 To address the specific housing needs of older and disabled people, all new affordable housing provision is expected to meet Housing for Variable Needs standards. This helps reduce the requirement for expensive disabled adaptations to peoples' homes as their need changes over time.

10. Strategic Environmental Assessment

- 10.1 The SHIP does not determine where development is to take place nor the Council's investment priorities and targets for affordable housing. As these priorities are contained in the LHS, to which the SHIP is a supporting document, the Council considers that the most appropriate level for the

Strategic Environmental Assessment (SEA) is the LHS. On 19 January 2012, the Council submitted a SEA Screening Report to the Scottish Government's SEA Gateway. The Screening Report concluded that a SEA of the LHS was not required as it does not identify land for new housing and because the impact of new affordable housing development would be determined through the SEA of the Local Development Plan. SEA Gateway forwarded the Council's Screening Report to the Consultation Authorities – Historic Scotland, SEPA and Scottish National Heritage – for their comments.

- 10.2 On 2 February 2012, SEA Gateway confirmed that the Consultation Authorities had agreed that there was no likelihood of significant environmental effects arising from the LHS. On 6 March 2012, in the light of this response, the Council agreed that a SEA of the LHS would not be required.
- 10.3 The Council has carried out a Strategic Environment Assessments as part of the preparation of the proposed Local Plan. Following consultation on the assessments, the Council has made changes to Proposed Plan consistent with formal representations made by Scottish Environment Protection Agency and Scottish Natural Heritage.

11. Consultation and Stakeholder Engagement

- 11.1 The SHIP has been developed through ongoing collaborative working arrangements involving a range of key partners. These include the Council services contributing to the delivery of the SHIP, particularly Planning and Community Care, the Moray Health and Social Care Partnership and the locally developing RSLs as well as private housing developers.
- 11.2 The Council has consulted members of the Housing Strategy Group as part of the preparation of the SHIP. This group is a forum for engaging the broad range of public agency and private sector partners in the development of the LHS. Members of the group include interested Council services, such as housing, planning, community care and health as well as the Scottish Government, the locally active Registered Social Landlords (RSLs) and Homes for Scotland. The Cairngorm National Park Authority (CNPA) is also represented.
- 11.3 The proposals set out in the SHIP are the result of consultation between the Council and its local development partners, including RSLs and private developers. Partners were asked to submit proposals for inclusion in the SHIP. Officers in Housing and Property met with partners to discuss how their proposals could contribute to meeting the Council's strategic housing investment priorities. The draft SHIP tables were then issued to partners for comment. The Council's planning service also made a significant contribution to the development of the proposed SHIP programme.
- 11.4 On 8 November 2016, the Council's Communities Committee considered the SHIP for submission to the Scottish Government.

- 11.5 As the Housing Need and Demand Assessment 2011 considers the Moray Housing Market Area to be highly self-contained, neighbouring local authorities have not been consulted as part of the preparation of the SHIP.
- 11.6 The Council publishes its SHIP on its website. The investment proposals are publicised to Moray Council tenants using the Tenants Voice newsletter. Partner RSLs are expected to use their own methods of communication to publicise SHIP proposals to their tenants.

12. Monitoring and Review

- 12.1 The Council is aware that the SHIP programme will be monitored as part arrangements currently being put in place by the Scottish Government. At a local level, progress on the delivery of the SHIP will be monitored through the Housing Strategy Group. The Council's Communities Committee will receive regular reports on progress with the delivery of the Strategic Local Programme.