



---

**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 21  
NOVEMBER 2023**

**SUBJECT: STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2024/2025 -  
2028/2029**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To ask the Committee to approve the Council's draft Strategic Housing Investment Plan (SHIP) 2024/2025 - 2028/2029.
- 1.2 This report is submitted to Committee in terms of Section III G (10) Council's Scheme of Administration relating to the preparation and implementation of strategic housing plans.

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee:-**

- i) considers and comments on the draft SHIP;**
- ii) approves the consultative draft SHIP submitted to the Scottish Government on 16 October 2023; and**
- iii) agrees that further progress reports on the SHIP are presented to this Committee as required.**

**3. BACKGROUND**

- 3.1 The Council has submitted its SHIP to Scottish Government annually since 2007. The SHIP sets out the Council's priorities for investment in affordable housing to meet the housing supply targets and outcomes stated in the Local Housing Strategy (LHS). In setting local investment priorities, the SHIP is intended to guide the allocation of resources available for affordable housing in Moray. The SHIP identifies the housing projects that the Council considers are priorities for inclusion in the Moray Affordable Housing Programme.
- 3.2 On 15 November 2022, the Committee approved the Council's current SHIP (2023/24-2027/28) for submission to the Scottish Government (paragraph 10 of the Minute refers).

3.3 SHIPs are the key documents for identifying the strategic housing projects that will contribute to the achievement of national housing supply targets. The Scottish Government provides local authorities with guidance for preparing their SHIPs, and has provided resources to fund local affordable housing programmes to contribute to the aims and targets detailed in Housing to 2040. Details of the resources being made available for the Moray programme are provided at Paragraph 4.12 of this report.

#### **4. THE MORAY SHIP 2024/2025 - 2028/2029**

4.1 The consultative draft SHIP submission is available on the Council's website at [www.moray.gov.uk/ship](http://www.moray.gov.uk/ship). In common with previous practice, this version has already been submitted to the Scottish Government to comply with their deadline of 31 October 2023. However, they will only regard the SHIP as finalised after it has the approval of this Committee.

4.2 In summary, the SHIP:

- sets out the Council's strategic investment priorities for affordable housing;
- demonstrates how these outcomes will be delivered;
- identifies the resources required to deliver the investment priorities;
- enables the involvement of key local stakeholders in the development and implementation of proposals; and
- prioritises projects for inclusion in the Moray Affordable Housing Programme (Table 1 of the SHIP).

4.3 The SHIP includes details of affordable housing completions over the last 5 years, disaggregated by location, and house size and type.

4.4 The investment priorities set out in the SHIP have been developed to fit with the Local Housing Strategy 2019-24, as approved by Communities Committee on 2 April 2019 (Paragraph 8 of the Minute refers).

#### **Prioritisation**

4.5 A key consideration in the SHIP's approach to programme prioritisation is deliverability of development opportunities. Opportunities are generally included in the SHIP, with associated allocation of Scottish Government funding, at a point where there is a realistic prospect of delivery.

4.6 With most of Moray's housing land in private ownership, the programme continues to be largely dependent on Local Development Plan affordable housing policy requirements, currently set at 25%. This means that the phasing of much of the SHIP programme is driven by the timescales of landowners and private developers for the delivery of affordable housing obligations. Consequently, any change in the plans of private developers could impact adversely on the delivery of the SHIP programme with impacts greater for major sites with large obligations, e.g. Kinneddar Meadows, Lossiemouth; Findrassie and Elgin South; R7 and R8 Buckie.

- 4.7 The land banking of affordable housing sites provides a valuable resource for planning affordable housing provision and helps reduce the programming uncertainties associated with developer led opportunities. The SHIP includes provision for the advance purchase of phase 2 at Speyview, Aberlour. The land for developments proposed at Banff Road, Keith and Bilbohall, Elgin, are already in the ownership of either the Council or Grampian Housing Association.
- 4.8 In terms of geographical distribution, the SHIP seeks to allocate investment to areas where the demand for affordable housing is greatest. Accordingly, a significant proportion of funding has been directed to the Elgin Housing Market Area. The high priority projects for this area are Bilbohall; Findrassie; several character areas in Elgin South; Garmouth Road, Lhanbryde and Kinneddar Meadows, Lossiemouth. However, with high levels of demand across Moray, the SHIP seeks to apportion provision across all housing market areas in accordance with the number of households wherever possible i.e. in the Buckie, Forres, Keith and Speyside Housing Market Areas. The high priority projects for these areas are Banff Road, Keith; Speyview, Aberlour and Muirton, Buckie.

#### **Specialist housing**

- 4.9 The LHS aims to meet the needs of households in need of specialist housing, especially older people, wheelchair users and people with learning disabilities. The SHIP makes provision for approximately 30% of units to be delivered as amenity housing and wheelchair accessible housing in the vast majority of the developments listed. The SHIP makes provision for housing with specialist support for people with learning disabilities at Garmouth Road, Lhanbryde; Bilbohall, Elgin and Western Village, Elgin South.
- 4.10 The approach to the size and type of properties that will be funded is set out in Section 4 of the draft SHIP and is unchanged from the previous year.
- 4.11 In advance of the completion of the Housing Need and Demand Assessment, but as a result of the consultation carried out with local public and private sector partners, the SHIP includes developments with the potential to deliver housing for key workers, primarily NHS clinical staff at Bilbohall and High Street, Elgin. These opportunities will require further detailed discussion with the NHS to progress.

#### **Intermediate Tenures**

- 4.12 The LHS Affordable Housing Supply Target includes a target of approximately 12% of affordable units met as intermediate tenure. Intermediate tenure housing aims to provide an opportunity for low income households to purchase a home, or an equity share in a home, or which aims to provide affordable rented accommodation to households in lower priority need categories on Housing Lists. The proposals at Findrassie, Elgin; High Street, Elgin and Caroline Street, Forres include intermediate tenures (mid-market rent and/or shared equity) to promote tenure diversification.

## Resources

- 4.13 On 15 July 2021, the Scottish Government provided the Council with a Resource Planning Assumption (RPA) of £46.2m for 2021/22 to 2025/26.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Moray	£10.357m	£8.927m	£8.902m	£8.933m	£9.981m	£46.200m

In accordance with the Scottish Government's recommendations, the SHIP reflects the profile of the Resource Planning Assumption, but also includes a generous shadow programme, of more than 25%, to allow projects to be brought forward in the event of delay, slippage or should additional funding become available.

- 4.14 In line with the current Council's Housing Revenue Account Business Plan assumptions, the programme set out in the SHIP will support the delivery of 50 council houses per annum. A Business Plan review was completed in February 2023. The Council's development programme has been tailored to fit the Business Plan and the RPA, using this SHIP as a framework for prioritisation of resources. At 50 units per year, the Council's programme will not be sufficient to maximise use of available grant funding (see Para 4.11 above). Delivery of the Moray programme is dependent on delivery by RSL partners. However the level of available grant per property, and volume of opportunities has resulted in RSL partners reporting that their own capacity for borrowing to invest has been maximised in this SHIP. This means that a few projects listed in SHIP Table 1 do not have an identified RSL at this stage. In turn, this means that some developments may be delayed and the Scottish Government's delivery targets may not be met.
- 4.15 The SHIP provides details of other sources of funding that can be used to support the Moray programme, including Council Tax levy on empty homes totalling around £600k per annum, and commuted payments in lieu of affordable housing as required by planning policy. Whilst it is likely that income from commuted payments will continue to remain comparatively low, it will be used to support project viability, particularly in rural areas where economies of scale are reduced, and development costs can be higher. The approach to seeking commuted payments is set out in Section 9 of the draft SHIP.

## Consultation with stakeholders

- 4.16 The SHIP has been developed through a collaborative process involving primarily the Scottish Government, partner RSLs and local housing developers but also other Council services, particularly Health and Social Care Moray and Planning colleagues.

## 5. **SUMMARY OF IMPLICATIONS**

### (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) identifies an increase in the supply of affordable housing as one of the key components of a growing, diverse and sustainable economy in Moray. The SHIP reflects priorities for investment in the provision of new affordable housing to meet need identified in the Local Housing Strategy.

### (b) **Policy and Legal**

The production of the Council's SHIP helps the Council to meet statutory duties in respect of addressing housing need in Moray.

### (c) **Financial implications**

There are no direct financial implications to the Council arising from this report. The SHIP provides details of the resources available to fund the supply of affordable housing in Moray.

### (d) **Risk Implications**

The major risks to the delivery of the Moray affordable housing programme have been assessed as part of the development of the SHIP. The SHIP provides high level details of proposed future investment in Council house building. The financial risks of funding the Council's programme has been assessed as part of the review of the Housing Business Plan completed in Feb 2023, however current macro-economic factors including high inflation, higher cost of borrowing, and workforce shortages, continue to adversely impacted on the cost of development. Given the constraints on RSL and Council prudential borrowing, and the structure of Scottish Government More Homes Division funding, this pressure on costs presents a significant risk to progress on delivery.

### (e) **Staffing Implications**

There are no staffing implications arising from this report.

### (f) **Property**

There are no property implications arising from this report.

### (g) **Equalities/Socio Economic Impact**

The housing needs of equalities groups are identified in the LHS. The LHS is subject to an Equalities Impact Assessment. The Moray Affordable Housing Programme seeks to deliver the housing priorities contained in the LHS.

### (h) **Climate Change and Biodiversity Impacts**

The aims of this SHIP are closely aligned to the Council's Climate Change Strategy, and Local Heat and Energy Efficiency Strategy (LHEES).

**(i) Consultations**

This report has been subject to consultation with the Depute Chief Executive (Economy, Environment and Finance), the Head of Housing and Property, the Head of Economic Growth and Development, Strategic Planning and Development Manager, the Head of Community Care, the Chief Officer (Health and Social Care Moray), the Chief Financial Officer, the Principal Climate Change Strategy Officer, the Senior Solicitor (Georgina Anderson), the Housing Needs Manager, the Housing Services Manager and the Democratic Services Manager.

**6. CONCLUSION**

**6.1 This report provides the Committee with details of the Council's consultative draft SHIP 2024/2025 - 2028/2029 as submitted to the Scottish Government, in accordance with SHIP Guidance. The Committee is asked to consider and comment on the draft SHIP.**

Author of Report: Fiona Geddes, Housing Strategy and Development Manager  
Background Papers:  
Ref: SPMAN-1285234812-1418