

APSE

Tackling the Affordable Housing shortage in the Highlands

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Introduction

- **Background to Highlands Housing Issues**
- **delivery vehicles**
- **Investment Levels**
- **The Highland Housing Hub / collaboration versus competition**
- **Off-site fabrication versus traditional construction**
- **Constraints and solutions to delivery**

Background

Highland Context

- **Population: 232,000**
- **10 distinct local housing market areas**
- **Aging population**
- **Dependent upon inward migration**
- **Total dwellings: 102,000**
- **Social rent stock: 19,624**
- **Highland Housing register waiting list: 7,851**

Affordable Housing Suppliers

RSLs: Albyn HS

Cairn HA

Lochalsh & Skye HA

Pentland HA

Lochaber HA

Caledonia HA

Other Nationals RSLs

- **Highland Council**
- **Highland Small Community Housing Trust**
- **Highland Housing Alliance**
- **Community Groups**

Highland Council Lead Strategic Authority

Normal process:

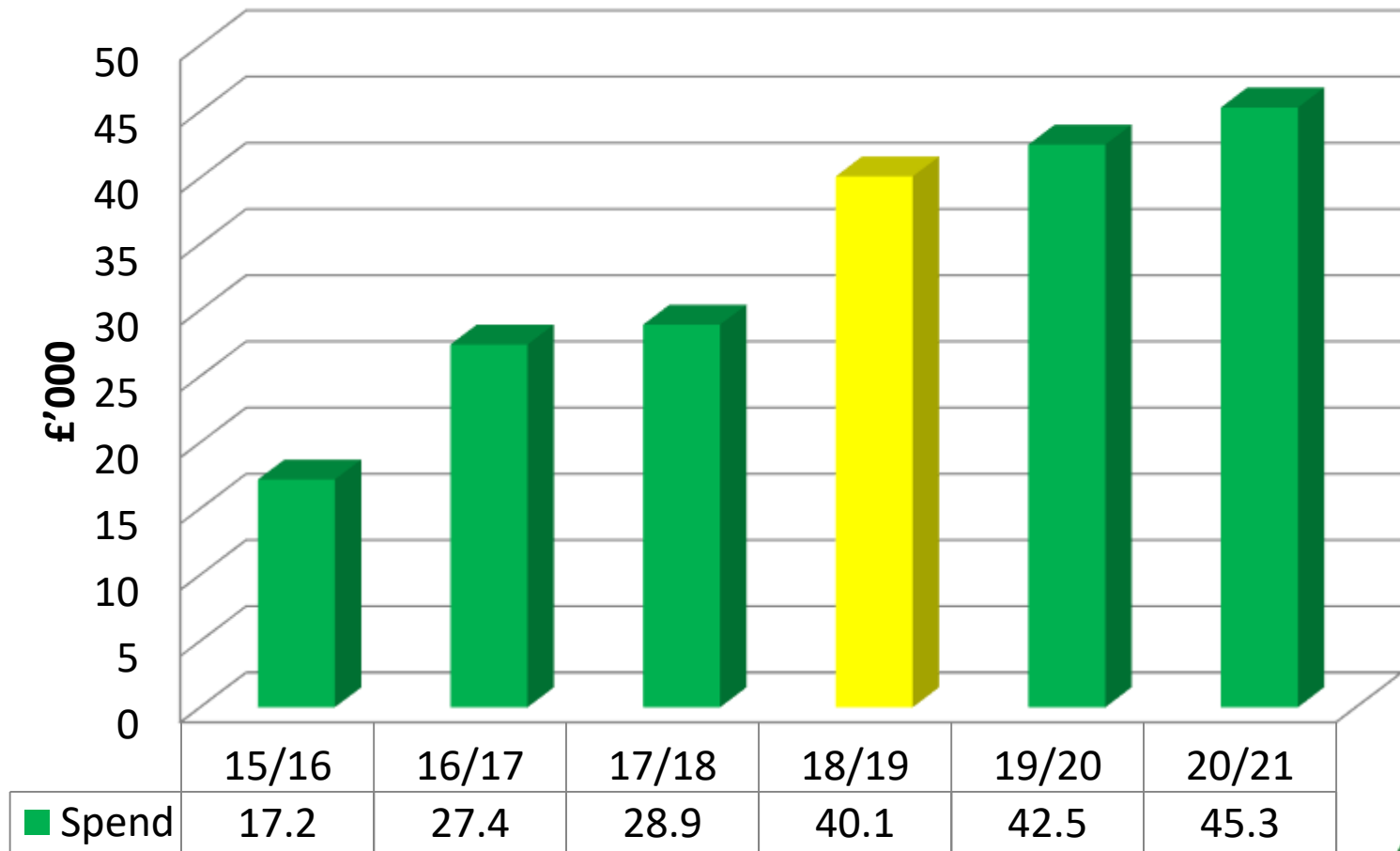
- **Regular meetings with Scottish Government**
- **Regular meetings with Individual Housing Associations**
- **Local Development Forums**
- **Scottish Government meets RSLs separately**
- **Sporadic strategic meetings**

Highland Council Lead Strategic Authority



- **Working relationships:**
- **between Council / Scottish Government - very good**
- **between Council / RSLs – OK**
- **between RSLs / other affordable housing providers – uncertainty over business plans**
- **LA builds new council direct –Grant/Prudential borrowing/ landbank facility**
- **Scottish Government announcement for 50,000 new homes... have to deliver differently.**

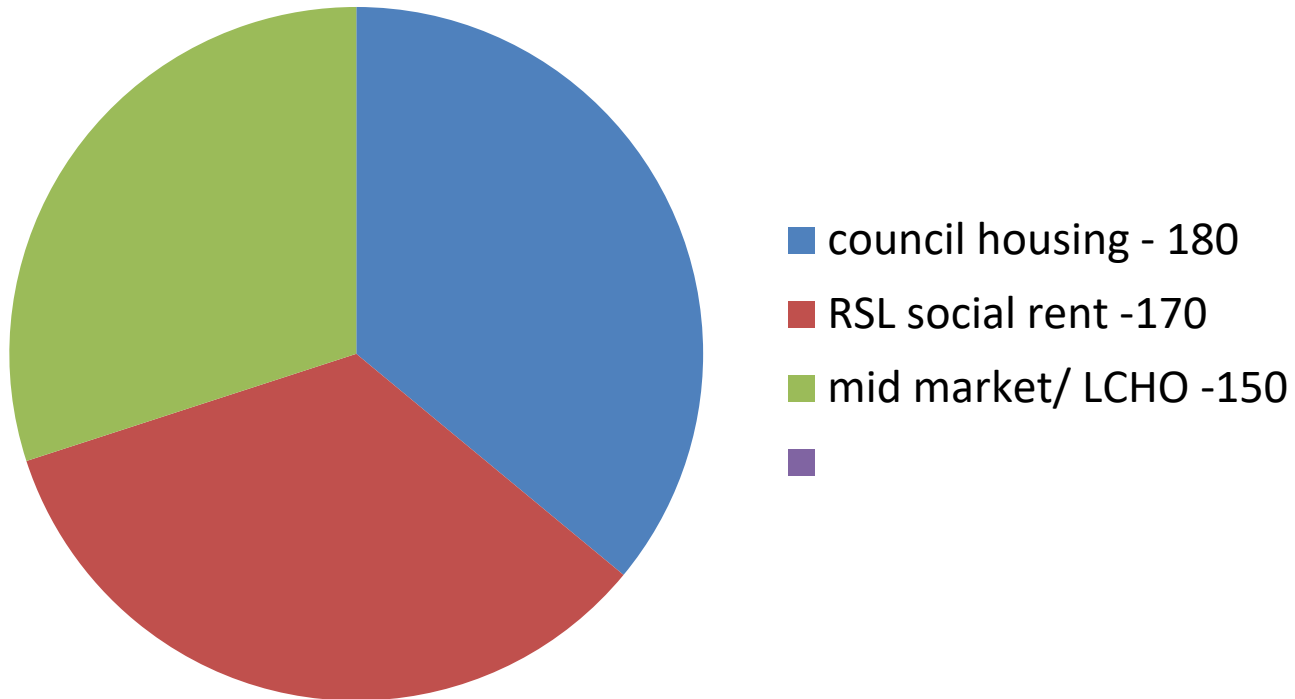
Scottish Government Investment Levels in Highland



Highland Housing strategy

Annual Affordable homes target -500

affordable homes



Highland Housing Hub

Membership

- **RSLs – Albyn HS, Cairn HA, Lochalsh & Skye HA, Lochaber HA, Caledonia HA**
- **Highland Housing Alliance**
- **Highland Small Communities Housing Trust**
- **Scottish Government – Housing Supply & Innovation Division**
- **Highland Council – Housing Development, Project Management, Planning, housing management**

Highland Housing Hub

Objectives

- **Deliver the Highland 5 year project**
- **Agree revised Highland Strategic Housing Investment Plan (SHIP)**
- **Maximise Investment Levels**
- **Work collaboratively to agree outcomes**
- **Streamline communication between agencies with role in the delivery of housing**
- **Demonstrate a model that could be used elsewhere**

Highland Housing Hub

Purpose

- **Identify improvements to delivery of housing projects**
- **Breakdown the barriers to delivery of housing**
- **Share experience/intelligence on Chatham House basis**
- **Agree lead partners on individual projects**
- **Identify additional site opportunities**

Highland Housing Hub

Purpose (cont.)

- **Work with developers to agree future programmes**
- **Delivery of best value projects, including new forms of construction and procurement**

Frequency of meetings

- Weekly

HUB-Has it been a success?

Over past two financial years increased spend and approvals targets met (£28m in 17/18, 602 tender approvals)

2018/19- £41 million target

- **Would not have happened without Hub**
- **Partners have bought into ethos**
- **Meetings are open, honest & focussed on delivery**
- **trust between partners significantly increased**

HUB-Has it been a success? (cont)

- **Developers have bought into the process – regular involvement**
- **Team approach / resource sharing**
- **Information and intelligence sharing**
- **Full Scottish Government involvement**



At a Practical Level

- **Strategic land banking opportunities delivered e.g. 200 new homes at Stratton Inverness**
- **Rapid response to changes in economic climate e.g new Fort William smelter, 300 new jobs**
 - **2 major sites brought forward at Upper Achintore & Blar Mhor. 400 new homes in pipeline**
- **Standard specification agreed**
- **RSLs and HHA delivering Council Housing as agents**
- **Flexible funding packages for high cost schemes**

At a Practical Level

- **RSL delivering projects for other RSLs – real resource sharing**
- **Strategic Housing Investment Plan – other partners helped Council prepare plan. All parties signed up**
- **Strategic discussions / agreements with key partners (NHS/HIE/Cairngorm National Park)**
- **Separate Housing Management HUB set up**
- **Housing planning team to be set up to deal with all affordable housing projects- consistency of approach**

Raining Stairs

As was.....



Raining Stairs

finished product



Raining Stairs

**Award winner :
Best UK
Residential
Development**



Modular v Traditional

Modular construction should deliver

- **Time -Quicker build period**
- **Better quality –higher quality , energy efficient, lower defects**
- **Cost- aim for 10% efficiencies**
- **But ... in pilot project**
 - **Quality control- inflexible , repeated design errors**
 - **time – off site delays**
 - **Cost – significantly higher**

Modular v Traditional



Modular v Traditional



Modular v Traditional

issues :

- **Economies of scale**
- **Minimum numbers how do we deliver Achiltibue to Dalwhinnie ...**
- **Procurement /off site payments**

Location, site conditions dependant -

- **Modular**
- **Closed Panel construction**
- **Open Panel construction**
- **Traditional**

Constraints to Delivery

- **Capacity of construction Industry**
- **Capacity of affordable housing providers**
- **Capacity of statutory authorities**
- **Land supply**
- **Infrastructure**
- **Grant levels**
- **Impact of Brexit on material costs**

constraints to delivery

- **Biggest issues are pre -construction**
- **Still issues with statutory authorities**
 - **Transport Planning,**
 - **Scottish Water**
 - **Utility Companies**

Leads to delays



Target – speed up pre-site process

Solutions

- **Collective buy in to delivery of affordable housing programme**
- **Other local authority staff /statutory authorities/ Utility companies**
- **Create competition between land owners**
- **Increase capacity of industry – how ?**
- **Infrastructure Funding – grant as well as loans**
- **increased grant rates**
- **greater use of CPO powers**

Conclusion

Increase industry capacity

Realistic grant levels

collaborative working /resource sharing commitment to tackle the delays in the system

Off site construction not necessarily modular

One size doesn't fit all

Spend available resources and maximise new homes

